

The complaint

Mr S complains that the administrator of his help to buy shared equity loan, Lenvi Servicing Limited, caused delay when he tried to re-mortgage and repay part of his loan.

What happened

Mr S bought a property with the aid of the help to buy scheme. He took out a standard first charge mortgage, and also took a help to buy loan which was secured by a second charge over the property.

A help to buy loan is a shared equity loan, meaning that Mr S borrowed – and must repay – a percentage of the property's value rather than a fixed sum. It's a government scheme and the lender, a government agency, isn't regulated and doesn't come within the jurisdiction of the Financial Ombudsman Service. But the lender has appointed a regulated firm, Lenvi, to administer the loan on its behalf. Lenvi does fall within my jurisdiction. As a regulated administrator, it's required to act fairly in administering the loan and ensuring the lender's obligations are met.

Mr S originally borrowed 40% of the property purchase price, completing in March 2022. In 2024, he decided to re-mortgage his first charge mortgage, increasing the borrowing to pay off part of his help to buy loan.

As he was moving lender, Mr S needed Lenvi to provide a deed of postponement, allowing the help to buy charge to be postponed behind the new mortgage lender's first charge. And because he was also looking to repay part of the loan, he needed to obtain a valuation and apply to Lenvi to set a repayment amount.

Mr S obtained a valuation on 27 September 2024 and sent his application to Lenvi. The valuation was valid until 18 December (and could be extended for one month after that) and his new mortgage offer was valid until 31 March 2025.

Lenvi took no action until December, despite being chased by both Mr S and his solicitor. On 11 December it said it couldn't accept an application form with an electronic signature, so Mr S sent a re-signed form the next day. Lenvi confirmed receipt and asked Mr S to pay an administration fee, which he did on 23 December.

Again, no further action was taken until Mr S chased Lenvi on 6 February 2025. Lenvi said the valuation had expired. And on 21 February it said the mortgage offer was expiring shortly and Mr S would need to obtain an extension from the lender.

On 4 March Mr S provided the application documents again, including a new extended mortgage offer. The next day Lenvi asked for amendments to the draft deed of postponement, which Mr S's solicitors completed.

Again no action was taken until 14 April, when Lenvi asked for an updated redemption statement for the old mortgage and further amendments to the deed.

On 24 April, Lenvi asked about the amount Mr S intended to reduce the help to buy loan by, as it didn't appear he was borrowing enough. After some further discussion, the solicitors confirmed the correct amount on 15 May. The deed of postponement was then issued and sent to Mr S's solicitors on 29 May.

Lenvi asked Mr S's solicitors for an undertaking before it would agree to provide an authority to complete. At the same time, the solicitors were waiting for the mortgage lender to complete its part of the deed of postponement. Lenvi issued the authority to complete on 13 June, but because the mortgage lender didn't complete the deed in time, the mortgage couldn't complete before the latest valuation expired on 16 June.

Lenvi therefore said Mr S would need to obtain another valuation. He did so, the valuation confirmed the property value hadn't changed, and the re-mortgage finally completed on 24 July.

Mr S complained. He said that Lenvi had caused delay. As well as much distress and inconvenience, the delays had caused him financial loss. He had had to pay for additional surveys. He had had to pay the higher variable rate on his old mortgage for longer. And because the first mortgage offer had expired and he'd had to re-apply, his new fixed rate would now take him to June 2027 – but he had been planning to repay the rest of the help to buy loan before March 2027, when interest will begin to be charged after the five year anniversary of it being taken out. He now wouldn't be able to do that without paying an early repayment charge to end the fixed rate early and take a new mortgage with higher borrowing.

Our investigator didn't think Lenvi had acted fairly. She said that if it had dealt with the application in a timely way when Mr S first submitted it, he ought to have been able to complete the new mortgage by the end of December 2024. She said that Lenvi should therefore compensate him for additional interest, including factoring in the cost of an early repayment charge or interest on the help to buy loan in 2027. It should refund the costs of the extra valuations he had paid for in February and July, and cover any additional legal fees he had been charged because of the delay. It should pay him £500 compensation.

Mr S accepted that. Lenvi accepted it had some responsibility for what had gone wrong. But it said Mr S and his solicitors, and the mortgage lender, had also caused delay. It said it would compensate Mr S for five months at the old lender's variable rate compared to the interest rate on the mortgage offer Mr S had in place at the time. It said that Mr S had actually ended up on a better interest rate because the second mortgage offer was lower. If Mr S redeemed the help to buy loan in full by March 2027, it would refund any early repayment charge (ERC) he would pay at that time, minus the saving through being on a lower interest rate in the meantime. Or if Mr S preferred to wait until the end of the new fixed rate, it would refund interest on the help to buy loan between April and July 2027 – Mr S's payments would still be taken and he could contact Lenvi for a refund at the time. It agreed to refund the cost of the February valuation but not the July valuation, because it said that one was only necessary because the mortgage lender didn't complete the deed of postponement in time. It agreed to pay additional legal fees – subject to Mr S providing evidence – and £500 compensation.

As no agreement could be reached, the complaint comes to me for a final decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It's accepted that Lenvi caused unreasonable delay. The question for me to decide is what it needs to do to put matters right. Most of that is not in dispute either – what remains to be resolved is the number of months on the variable rate, and the valuation fee.

I'm satisfied that it's fair and reasonable to require Lenvi to refund the additional interest Mr S paid on his old lender's variable rate between January and July 2025 – not just until May 2025 as Lenvi said. I've taken into account what Lenvi said. And I agree that after May it didn't cause any further delays and indeed did what it could to expedite things.

But I'm still satisfied it's reasonable to require it to compensate for this period too. That's because the delay during that period wouldn't have happened without the earlier delays. The main cause of the delay in this period was the expiry of the valuation. Despite being helpful in other ways, Lenvi insisted Mr S would need to get another valuation before completing.

Had completion happened when it should have done, around the end of December 2024, Mr S would never have been in the position of having a valuation expire around the time he was due to complete. The valuation wouldn't have expired before the mortgage lender could complete the deed of postponement, and completion wouldn't have been put on hold while Mr S had to get another valuation.

Therefore, even though Lenvi didn't delay progressing things directly after May 2025, the ultimate cause of the problems continuing was Lenvi's earlier delay (meaning completion was delayed until just before a valuation expired), and its insistence on a new valuation despite having been the creator of a need for one. Had completion happened when it should, Mr S would never have been in the position of needing a new valuation after May 2025 – and so it's reasonable to hold Lenvi responsible for his losses in this period.

I'm therefore satisfied that it's fair and reasonable to require Lenvi to refund the additional interest costs for June and July, as well as January to May. And for the same reasons, it's fair and reasonable to require it to reimburse the costs of both the February and July valuations – neither of which would have been necessary if completion had happened when it should have done.

Putting things right

To put things right, Lenvi should take the following steps now:

- It should pay Mr S the difference between the interest he paid on his old mortgage at the SVR, and the interest he would have paid had the original mortgage offer (based on £216,200 at 5.29%) completed, from 1 January 2025 to when that mortgage offer expired on 31 March 2025. It should add simple annual interest of 8%* to each monthly interest payment running from the date of payment to the date of refund.
- It should pay Mr S the difference between the interest he paid on his old mortgage at the SVR, and the interest he would have paid had the new mortgage offer (based on £216,200 at 4.88%) completed, from 1 April 2025 to when that mortgage offer completed on 24 July 2025. It should add simple annual interest of 8%* to each monthly interest payment running from the date of payment to the date of refund.
- It should refund the costs of the February and July valuations, adding simple annual interest of 8%* running from the date Mr S paid each valuation fee to the date of refund.
- It should refund the additional legal costs Mr S was required to pay – his solicitors have confirmed that they charged an extra £400 plus VAT because of the additional

work involved in dealing with Lenvi's delays. Lenvi should pay Mr S £480, adding simple annual interest of 8%* running from the date Mr S paid the legal fees to the date of refund.

- It should pay Mr S £500 compensation.

Additionally, in respect of the problem caused by the extension of the fixed rate on the new mortgage:

- If Mr S applies to redeem the remaining help to buy balance in full, using new mortgage borrowing, to repay it between 1 January 2027 (the end of the fixed rate period on the first new mortgage offer) and when interest on the help to buy loan starts, Lenvi should reimburse any early repayment charge he will incur to redeem the mortgage based on the second new mortgage offer. In doing so, it can offset the saving based on a difference of interest rate of 4.88% against 5.29% on the current mortgage between 24 July 2025 and the redemption date. It should add simple annual interest of 8%* from the date Mr S pays the ERC to the date of refund.
- Alternatively, if Mr S does not redeem the help to buy balance in full until after 30 June 2027 (the end of the fixed rate period on the second new mortgage offer), Lenvi should reimburse any help to buy interest he will pay up to 30 June 2027. It should add simple annual interest of 8%* from the date of each interest payment to the date of refund.

** Lenvi may deduct income tax from the 8% interest element of my award, but should give Mr S a tax deduction certificate so that he can reclaim the tax from HMRC if he's entitled to do so.*

My final decision

My final decision is that I uphold this complaint and direct Lenvi Servicing Limited to put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 5 February 2026.

Simon Pugh
Ombudsman