

The complaint

Mr L's complaint is about the administration of a mortgage he had with Wave Lending Limited. He has told us:

- He did not receive a clear reply to a request made on 17 July 2024 for the legal action to be put on hold, as he had made an application to refinance the borrowing – he just received requests for documentation and updates.
- Wave did not respond to information provided to it on 7 August 2024 about the refinancing.
- A redemption statement was requested on 6 September 2024 and he was promised it would be received before the proposed redemption date of 30 September 2024, but it did not arrive, and it had to be chased. While the redemption statement was sent to Mr L on 27 September 2024, it did not arrive until 4 October 2024. The redemption statements subsequently sent to Mr L's solicitors were not received in a timely manner and his firm of solicitors was unable to access the information through the Lender Exchange (LX) portal. This resulted in the loan being repaid later than expected and Mr L being charged additional interest.
- He is unhappy that Wave added legal costs to the amount it required to repay the loan.
- Wave's letter of 16 September 2024 was not received until 26 September 2024. In addition, he believes the content of that letter differs from the information he had previously received.

In settlement of the complaint, Mr L requested a refund of the interest he had been charged by Wave for October 2024 and compensation for the impact of the stress Wave caused him during the redemption process.

Mr L was represented by a legal adviser during the events being complained about and that representative is also representing him in his complaint.

What happened

Mr L took out his mortgage with Wave in 2007 following advice from an independent mortgage broker. The mortgage was for £1,335,000 plus fees, over a term of 20 years on an interest-only basis.

Mr L began to have difficulties paying the mortgage the following year and arrears started to build. The mortgage remained in arrears until the autumn of 2016. For the following three years there were short periods of arrears that were quickly repaid, and from the autumn of 2019, the mortgage payments were maintained on a monthly basis. However, in December 2022 arrears again started to accrue and that situation persisted until the mortgage was repaid in October 2024.

Wave decided to take legal action and a possession order was issued by a court in May 2024. It ordered Mr L to pay the amount he owed Wave or give it possession of the property after 56 days' time. However, before that date arrived, Mr L's representative wrote to Wave on 17 July 2024 and told it that Mr L was in the process of refinancing via a bridging loan, and he wanted Wave to put the legal action on hold.

Wave considered this information and told Mr L's representative that in order for it to put the legal action on hold, it would need a copy of the bridging loan offer. The representative was told this more than once and when Wave spoke to her on 7 August 2024, she said that Mr L would not provide Wave with a copy of the offer, but she would have the broker who had arranged the loan confirm that it had been applied for and the status of the application.

The document from the broker was provided the same day, but it was not dated. The document said that the underwriting of Mr L's bridging loan application had been completed, but the property valuation hadn't been done. Once it had been done, if the property was acceptable to the new lender, the offer would be issued within a few days. Wave did not consider this document was good enough to put the legal action on hold, as it did not evidence that refinancing was in place.

On 16 August 2024 Wave tried to contact Mr L's representative and left her messages. It wanted to know if the valuation had been completed (which was done on the same day) and if the application could move forwards. When no response was received, Wave tried to call Mr L directly, and then wrote to him, explaining that if the legal action was to be put on hold, it needed to be provided with an update on the refinancing.

Mr L's representative called Wave on 6 September 2024. She told Wave that the valuation had been done, and the property had been deemed acceptable, so the new loan would complete in the next couple of weeks. Wave asked for evidence of these facts, and it was told the representative would ask the broker to send a letter confirming the information. The representative also asked for a redemption statement to be issued for the end of the month.

As the legal action had not been suspended, the legal costs associated with the possession action had not yet been added to the mortgage. Wave requested this information from its solicitors. Despite chasing the solicitors several times, the information Wave needed was not provided until 27 September 2024.

In the meantime, Wave reviewed Mr L's account and noted that it had still not received evidence from the new lender about a formal offer having been made. As such, given Mr L's representative had suggested the mortgage would be repaid by the end of September, Wave wrote to him on 16 September 2024 to inform him that if this did not occur, it might look to enforce the order of possession. Mr L has said it took ten days for the letter to be delivered to him.

On 24 September 2024 Mr L's representative chased Wave for the redemption statement. Wave explained that it was waiting for its solicitors to confirm the cost of the recent legal action that needed to be added to the mortgage balance. It said it would update the representative when it had the information.

That update was provided by a call to the representative on 27 September 2024, and Wave called again later that day to confirm that the redemption statement had been sent to Mr L. The redemption figure was given to Mr L's representative over the telephone too. When the representative questioned why the statement was being sent to Mr L, rather than his solicitors, Wave confirmed this was because it didn't know who his solicitors were as the solicitors had not requested a redemption statement yet. The representative was told that if Mr L's solicitors requested the redemption statement it could be faxed the following working day, which was a Monday and the day the representative had suggested was to be the completion date for the new bridging loan. Mr L's solicitors requested a redemption statement through the LX system at 4.27pm the same day.

Unfortunately, Wave experienced problems uploading the redemption statement to the LX system, so it instead posted redemption statements to Mr L's solicitors. The first was sent on

30 September 2024, which the solicitors have evidenced it received on 4 October 2024. A further redemption statement (and a copy) was sent to the solicitors on 3 October 2024 – the solicitor date stamped them 21 October and 22 October 2024 respectively. Another copy redemption statement was posted to the solicitors on 11 October 2024 by first class special delivery post (that guaranteed next working day delivery) as the solicitors had said it had not received the previous ones – this was date stamped 15 October 2024. All of the redemption statements confirmed the date the redemption figure had been calculated to and what the daily amount of interest was, so that the solicitors knew how much to add to the redemption figure if the mortgage was not redeemed on the anticipated date.

Mr L's property deeds were sent to his solicitors on 16 October 2024, and the mortgage was repaid on 24 October 2024, following his solicitors calling Wave to check its calculation of the redemption figure (based on the additional days of interest) was correct.

Mr L's representative raised the above complaint issues with Wave.

Wave upheld the complaint in part in a letter of 8 November 2024. It accepted that it had not provided a response to the 17 July 2024 letter in a timely manner. In addition, it accepted that there had been a slight delay in the first redemption statement being provided, but it confirmed that it had still been provided in time for the loan to be redeemed by the end of September 2024 as had originally been suggested. Wave offered Mr L £125 compensation for poor service he received.

Mr L was not satisfied with the response he received and referred his complaint to this Service. One of our Investigators considered the complaint, but he didn't recommend that it be upheld.

Mr L did not accept the Investigator's conclusions. His representative said the Investigator was wrong in his conclusions because Mr L's solicitors needed a redemption statement in its hands that had a figure calculated for a date in the future to evidence to the new lender that the existing mortgage would be repaid by the available funds. She said that as Wave insisted on sending the redemption statements by post, rather than adding them to the LX portal, the redemption statements sent to the solicitor were received either on the date of the calculation or afterwards, which the solicitors said were no good. Mr L's representative provided copies of the redemption statements with date stamps – which I have detailed above.

While the Investigator considered the further representations, he was not persuaded to change his conclusions. As such, it was decided that the complaint would be passed to an Ombudsman for consideration.

I issued a provisional decision on 11 November 2025, which set out my conclusions and reasons for reaching them. Below is an excerpt.

'I have noted that when the Investigator commented on Wave having taken legal action to recover the amount Mr L owed it, Mr L's representative said that is not what the complaint we have been asked to consider is about. While she may not have raised the complaint in that context, it was not wrong for the Investigator to comment on the issue, given that she has complained about the cost of that legal action being added to the mortgage debt. We would only be able to say that those costs should not have been added if we concluded that the legal action should not have been initiated.'

As Mr L is not saying that Wave taking legal action was unreasonable, given his circumstances, I can't find that it was unreasonable for Wave to add the cost of that legal action to the mortgage debt before the redemption statement was issued. This is provided

for at 19.2.1 and 19.4.3 of the mortgage terms and conditions and is generally something all mortgage contracts allow a lender to do.

Mr L's representative has said that a clear answer to the request made on 17 July 2024 for legal action to be put on hold was never received. I would agree that Mr L didn't receive a simple yes or no, but I don't think Wave was wrong in not doing so. When such a request is made, a lender will require substantive evidence that there are arrangements in place for the repayment of the mortgage. In the case of refinancing the debt, a lender would normally require a copy of the offer from the new lender before it would agree to place legal action on hold. Wave explained to Mr L's representative on more than one occasion what it needed to be able to agree to put the legal action on hold, but that evidence wasn't provided. Indeed, the representative refused to provide Wave with a copy of the mortgage offer. In that situation Wave would have been entitled to simply say "no" to the request for the legal action to be put on hold and move it action forward.

However, it did not. It gave more opportunities for Mr L and his representative to evidence that he had managed to arrange refinancing. It also, ultimately, allowed the situation to progress based on the word of Mr L's broker – that is not something I would have expected a lender to do, and I can only consider that it doing so was more than fair treatment, and solely to Mr L's advantage. At that point Wave should reasonably have said to Mr L that it would allow the redemption of the mortgage on the basis of the reported refinance. The fact that it did not, would have caused Mr L some uncertainty and worry, but I can't hold Wave responsible for most of the worry that he was experiencing at that time, as if he had provided Wave with the information it had reasonably asked for, I am satisfied he would have had a clear answer at that point.

I have also considered the letter of 16 September 2024 that was sent to Mr L. It was a letter before action that had been tailored to Mr L's situation. Considering what could be seen as a lack of co-operation by Mr L and his representative, in that they refused to provide Wave with substantive evidence from the new lender that the refinance had been agreed, I can't find that it was inappropriate for Wave to send Mr L that letter. As for the time that Mr L has reported for the letter to be received by him, as has been said, once Wave has posted a letter, it has no control over the postal service. While I have noted that the representative has suggested that the letters sent to Mr L and his representative were sent second class post, that would not explain the type of delays in delivery that have been reported.

I now turn to the matter of the redemption statement. I would agree that the timescale for the redemption statement to be produced – 6 to 27 September 2024 was not acceptable. It appears to be entirely down to delay caused by Wave's solicitors, which reasonably Wave can be considered responsible for. Normally we would expect a redemption statement to be issued within a week, so I consider that there was around two weeks' worth of delays in this being provided to Mr L.

I note that Mr L's representative questioned why the redemption statement was being sent to him. This was because Mr L's solicitors had not asked for a redemption statement and so Wave was not aware that they were involved in the process. I don't think that is unreasonable.

It is usual for a firm of conveyancing solicitors to request a redemption statement for itself at a relatively early stage of refinancing – as Mr L's firm of solicitors has said, as soon as it starts to interact with the new lender, it needs to be able to assure that lender that there will be enough money from the new financing and possibly other sources, to repay the existing mortgage. The solicitors will then usually request an updated redemption statement when the completion date has been agreed – giving sufficient notice to the existing lender to enable it to produce the required statement and for the solicitors to request the funds from

the new lender at the appropriate date. The redemption statements required by the solicitors will usually be requested through the LX system.

Mr L's solicitors did not request a redemption statement until the end of the business day before the date Mr L's representative has said the bridging loan advance had been set for. It seems unlikely that an experienced conveyancing solicitor would leave it that late to request a redemption statement. That is especially so, as this would have been after the date the solicitor would have needed to instruct the new lender to release funds – most lenders require three to five working days' notice.

I would also comment that while Mr L's solicitors have said that they needed a redemption statement in advance of the calculation date, that was not the case. Indeed, when the mortgage was eventually repaid, it used one of the existing redemption statements and added interest to the figure based on the number of days between the calculation date and the actual redemption date. That is normal practice and the reason that redemption statements include the daily interest amount so that any delays in redemption are not added to by the need to request another redemption statement.

Mr L's solicitors did not request a redemption statement until 27 September 2024 and no evidence has been provided that an earlier completion date had been arranged. Furthermore, as Mr L's solicitors had the information it needed on 4 October 2024, but the mortgage was not repaid until almost three weeks later, it would not appear that any delays on the part of Wave caused the delay in the completion of the new loan and the repayment of the one with Wave. As such, I can't require Wave to refund the interest Mr L paid for October 2024.

Wave has offered Mr L £125 for the inconvenience he was caused due to its poor communications and the delay in the redemption statement he wanted being sent. I have carefully considered this and given the circumstances and the length of the delay, I think the offer is fair and proportionate.'

Mr L didn't accept my provisional decision. He provided his recollections of conversations with his solicitors regarding the issues it was having regarding obtaining a redemption statement. Mr L also said that the solicitors could not have requested a redemption figure earlier than it did, given the circumstances.

Wave did not respond to my provisional decision, but I am satisfied that it received it, as it was sent to the correspondence email address we hold for that business.

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.

I have reviewed the file again in its entirety and I have revisited my provisional decision in light of the further comments from Mr L. Mr L has provided his recollections of discussions with his solicitors about the redemption statement and confirmed that they reflect the statement the solicitors made to this service. I considered that statement before I reached my provisional decision and nothing that Mr L has said has changed my conclusions about the issue of the redemption statement. It remains that I am not persuaded the evidence indicates that Wave was the cause of the delay in the new loan completing.

My final decision

Wave Lending Limited has already made an offer to pay Mr L £125 to settle the complaint, and I am satisfied this offer is fair in all the circumstances. As such, my final decision is that Wave Lending Limited should pay £125 in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr L to accept or reject my decision before 5 January 2026.

Derry Baxter
Ombudsman