

## **The complaint**

Mr U and Ms U complain that when they asked Connect IFA Ltd trading as Connect Mortgages to apply for a mortgage for them, Connect gave incorrect information to the lender – which led to the lender reporting Mr U to CIFAS, a fraud prevention database.

## **What happened**

In 2024 Mr U's existing residential mortgage was coming to the end of its fixed rate period. He and Ms U asked Connect to arrange a re-mortgage to a new lender to take a new fixed rate, and to add Ms U to the new mortgage.

Connect submitted an application to a lender I'll call N. N considered the application and declined it without giving an explanation. Connect advised Mr U and Ms U to check their credit files, and to check whether there were any reports against their names at the fraud prevention databases.

Mr U and Ms U discovered that N had put markers about Mr U on a fraud prevention database. The reason for the report was a "false application" which included "undeclared commitments". The "undeclared commitments" was a mortgage secured over a property owned by Mr U in which a family member lived.

Following discussion with Mr U and Ms U, Connect agreed to write to N on their behalf. In the letter, it explained that it had a longstanding relationship with Mr U and Ms U. It was aware of the other mortgages from previous applications. When it discussed this new application with Mr U and Ms U, it had asked them whether they owned other properties or had other mortgages. Mr U and Ms U had said no, so Connect had said they did not on the application to N. But Mr U and Ms U had thought that Connect was asking whether there were any new properties it wasn't already aware of – which there weren't – rather than asking them to repeat what Connect already knew.

Connect therefore said there had been a misunderstanding between it and Mr U and Ms U, and it was this which led to incorrect information being included on the application to N rather than any dishonesty or intent to mislead on their part. In light of this letter, N reviewed things and agreed to remove the marker.

Mr U and Ms U complained to Connect. They said Connect should have disclosed the properties it knew about on the application to N. And they had tried to speak to Connect to give it full information about their circumstances before the application was submitted, but it hadn't got back to them. While the CIFAS marker had now been removed, it had caused them much upset and inconvenience. And it meant that they lost out on the mortgage with N and were unable to apply to another lender while the marker was in place – so they had to spend additional time on the old lender's standard variable rate (SVR) after the fixed rate expired and until the situation was resolved. As a result they'd incurred additional interest as well as wasted legal fees. They also wanted Connect to refund the fee it charged them. In total, they said their losses were around £14,500.

Connect said it relied on its customers to give it full information about their circumstances. It

couldn't assume that what it had been told some years before on a previous application was still true. Mr U and Ms U should have told it about the other properties at the time of this application, and it wasn't to blame for them not being included on the application. But it had done what it could to help them by explaining things to N and getting the marker removed. When N refused the new mortgage application, Connect had offered to apply to the old lender to take a new fixed rate with that lender instead, but Mr U and Ms U had decided not to take that option up. And since the marker was removed, Connect had found Mr U and Ms U a new mortgage with a third lender which reduced their monthly payments. Connect said it hadn't done anything wrong and wouldn't compensate them for the additional interest.

Unhappy with that, Mr U and Ms U brought their complaint to us where it was considered by one of our investigators. She didn't think the complaint should be upheld. She said that Connect had offered Mr U and Ms U the option of a discussion about their circumstances or using its online portal, and Mr U and Ms U had chosen to use the portal. It had asked them about their finances and credit commitments that way, and Mr U and Ms U hadn't included the other mortgages in their response. Connect had also checked their credit files, but the mortgage didn't appear there either (possibly because neither the property address nor the correspondence address for that mortgage was the address Mr U and Ms U were living at). She said it was up to Mr U and Ms U to provide correct and complete information. And Connect wasn't given the chance to clarify things by the lender before it recorded the marker. She said that Connect did have a bank statement showing the payments to the other mortgage – but that wasn't enough to say it was responsible for what went wrong.

Mr U and Ms U didn't agree and asked for an ombudsman to review their complaint. Mr U and Ms U said they had had difficulties using Connect's portal and had asked for a phone call instead, but that had never happened – Connect had just gone ahead and submitted the application. It had completed the fact find and application, not Mr U and Ms U.

### **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'm sorry to hear about the problems Mr U and Ms U experienced because of the fraud marker and the time and stress involved in trying to have it removed. I'm sure this was a very upsetting time for them – and I appreciate how important it was to complete the re-mortgage given the significant increase in the monthly payments once the old fixed rate came to an end.

Having reviewed everything carefully, I'm not persuaded that Connect did anything wrong here. I can see that it primarily dealt with Mr U and Ms U via its online portal, which allows for the exchange of text and voice messages as well as the uploading of documents. I've reviewed the whole history of the contacts between them, and I've not seen any messages showing that Mr U and Ms U were having difficulties using the portal, or where they've asked for the application to be completed over the phone instead.

In messages on 28 March 2024, Connect confirmed that it had invited Ms U to join the portal (Mr U was already registered and had used it for previous applications). It asked that Ms U complete her details and that they both check the information recorded for Mr U. Connect also asked for various documents – including income details, bank statements and identity documents.

This resulted in the completion of a fact find document – setting out Mr U and Ms U's full circumstances and mortgage preferences. That document includes full income and employment details, as well as details of credit commitments and properties owned.

The credit commitments section records credit cards for both Mr U and Ms U – but no other mortgages. There is also a section headed “your property portfolio”, which records one additional property owned by Mr U. This is a buy to let property. But the property which wasn’t declared to N, in which a family member lives, was not included in this section.

I’ve also seen the application form Connect sent to N. The form asks if the applicant owns any other mortgaged property – the answer is “Yes, more than one mortgaged property”. The form went on to declare one other mortgage, but not the mortgage over the family member’s property.

I’m satisfied the application form sent to N matches the information given on the fact find. I don’t know who completed the fact find – whether it was Connect, or Mr U and Ms U. It seems likely that it was a combination of both; Mr U was an existing client, and some of his information was completed, with Connect requesting that the rest, and Ms U’s information, be added by them. In any case, whoever filled out the form, the portal messages show that it was sent to Mr U and Ms U and Connect asked them to check and complete it.

Ultimately it was Mr U and Ms U’s responsibility to make sure that all the information required was included on the fact find – whether they filled it in, or whether Connect filled it in and they checked it was correct.

I don’t think Connect could reasonably have been expected to know that the fact find was incomplete, and to have questioned that with Mr U before submitting the application. Mr U’s circumstances may well have changed since the previous applications he’d made with Connect. By virtue of being asked to check and complete the fact find, he was asked to detail the properties and mortgages he owned, and he didn’t ensure that complete information was given.

Even if Connect ought to have checked all the answers on the fact find for accuracy, I’m not persuaded it could reasonably have identified that there was a property missing. That mortgage didn’t appear on Mr U’s credit file either – so while it did check the credit file to make sure all commitments were recorded, it couldn’t have known about the missing mortgage from that. There was a mortgage payment on Mr U’s bank statements. But I wouldn’t expect a mortgage broker to conduct a line by line analysis of a borrower’s bank statements to verify information given on a fact find; I think it’s reasonable for Connect to have relied on what it was told. This is consistent with the rules of mortgage regulation, which say “a firm may generally rely on any information provided by the customer ... unless, taking a common sense view of this information, it has reason to doubt it.”<sup>1</sup>

I’m not therefore persuaded that N was given incorrect information because of anything Connect did wrong or unreasonably failed to do. However, I also accept that Mr U and Ms U didn’t deliberately set out to mislead either Connect or N, and in the circumstances I think it was fair and reasonable that Connect made representations to N on their behalf to persuade it to remove the fraud marker.

I’m not therefore persuaded that it would be fair and reasonable to require Connect to compensate Mr U and Ms U for the time they spent on the old lender’s SVR, or their other losses. It wasn’t the cause of the fraud marker being recorded, it helped Mr U have it removed, and once that had been done it arranged a new mortgage for them. I do understand why Mr U and Ms U didn’t want to take a new fixed rate with the old lender – because that would be a rate switch on the old mortgage in just Mr U’s name, rather than adding Ms U to a new mortgage, and because they didn’t feel the old lender’s rates were

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<sup>1</sup> See MCOB 4.7A.23 G in the Financial Conduct Authority’s Handbook - <https://handbook.fca.org.uk/handbook/mcob4/mcob4s17>

very good – and that this therefore meant they had to spend time on the SVR until things were sorted out. But Connect wasn't responsible for the problem in the first place, and it did its best to help Mr U and Ms U resolve it.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U and Ms U to accept or reject my decision before 10 February 2026.

Simon Pugh  
**Ombudsman**