

The complaint

P, a limited company, complains about delays with its buy to let mortgage applications to Fleet Mortgages Ltd. P asks that Fleet pays compensation for the costs it incurred as a result of the delays. P is represented by its director, who I'll refer to as Mr P.

What happened

A broker submitted two mortgage applications on behalf of P to Fleet in March 2025. In May 2025 Fleet declined to lend. Mr P says Fleet had all of the relevant information to make a lending decision in mid-March 2025, if not before. Mr P says interest was incurred on a bridge loan for three months longer than necessary due to Fleet's delay, as well as legal fees and other costs and losses, and the delay affected their financial planning.

Fleet said, in summary, the application was outside its risk appetite due to concerns about the saleability of the properties. It said if it had made further enquiries in mid-March 2025 the applications might potentially have been declined sooner. It offered to refund valuation fees and application fees and pay £250 compensation (a total of £1,398).

Mr P said Fleet should also compensate P for two months interest on the bridge loan (about £13,000).

I sent a provisional decision to the parties setting out why I thought Fleet's offer was fair and reasonable in the circumstances. Neither party responded with further comments or evidence.

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 should explain that where the evidence is incomplete or contradictory, I make my decision on the balance of probabilities – that is, what I think is more likely in the circumstances.

The buy to let mortgage applications were submitted on behalf of P. So P is the eligible complainant under our rules to bring a complaint about the way Fleet dealt with its applications. We can't usually require respondents to pay compensation to third parties, or for the losses of third parties.

The applications submitted on behalf of P were for unregulated buy to let mortgages, which are not subject to the same rules on mortgage regulation as regulated mortgages. That said, I'd expect Fleet to consider P's applications fairly in accordance with its processes and lending criteria.

Fleet accepts that it might have given P a lending decision sooner if it had made more enquiries in mid-March 2025. It offered compensation. The issue for me to consider is whether this compensation is fair and reasonable in the circumstances.

The main cost claimed by P is the cost of the interest on the bridge loan. So I'll consider that

first.

P didn't incur any interest or other costs under the bridge loan. The bridge loan was taken out by a different company in late 2024 and it was this other company that incurred the interest and other costs. P was incorporated in early 2025. As I said, I can't usually require respondents to pay compensation to third parties or for third parties' losses. While I appreciate this will be disappointing for P's director, I can't fairly require Fleet to compensate a third party company for its borrowing costs with another lender.

It was another company (not P) that took out a new mortgage to refinance the bridge loan. While Mr P says there was a planning and opportunity cost as a result of Fleet's delays, it's unclear how this affected P.

When Fleet declined the application it said the properties had been developed with the intention they'd be sold. It said they'd been marketed for sale for over six months and hadn't sold. It said while the applicant was letting the properties out this might not have been optional, and this placed the application outside its risk appetite.

Mr P says Fleet knew all this from the outset. He said the properties were not still being marketed for sale in March 2025, and Fleet might have declined to lend based on incorrect information.

Fleet's notes say the property sales listings were still live. That might have been an error by a third party, or the listings simply weren't removed from online sites. Either way I don't think this changes matters. The properties had been marketed for sale for some period without success. And Fleet had other concerns which led to it declining the application as outside its risk appetite.

Fleet said in its final response that it was concerned about the saleability of the properties. That was in part due to the properties having been marketed for sale without success. But it said it was also concerned about how the saleability of the properties might be affected by a nearby housing development, how the property titles would be split and access rights to the properties. Fleet said because the applications proceeded on the basis of an exception, they had to be of exceptional quality to progress – which it says was not the case.

Mr P says the saleability of the properties isn't relevant as the loans would be serviced by rental income. Fleet takes a charge on the properties which means it can ultimately recover the debt through the sale of the property. Saleability is relevant to its lending decision.

Fleet says that if it had made further enquiries in mid-March 2025 it might have made a lending decision sooner. It's difficult to know exactly when that would have been, and whether it would have significantly reduced the number of documents P was asked to provide, and the time spent dealing with the application.

Fleet offered to refund the valuation fees and application fees for both applications and pay £250 compensation as a gesture of goodwill (totalling £1,398). I need to take into account that P is a company and the applications were made in the course of its business. There was no guarantee the applications would be successful, especially as they were proceeding on the basis of an exception to Fleet's usual policy. I think the compensation offered by Fleet is fair and reasonable in the circumstances.

I don't think it's fair and reasonable to require Fleet to compensate P for any solicitors costs it incurred. I don't think Fleet is responsible if P's directors chose to instruct solicitors prior to a mortgage offer being received.

My final decision

My decision is that Fleet Mortgages Ltd should pay £1,398 to P, as it offered to do. It can deduct any amounts already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 6 February 2026.

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Ruth Stevenson
Ombudsman