

The complaint

Mr E complains that Integrity Insurance Services Ltd failed to inform a prospective lender of essential information relating to the property he wanted to purchase at mortgage application stage. He says that failure led to the lender offering him a mortgage it would subsequently decline and Mr E incurring legal fees he could have otherwise avoided.

What happened

On 20 September 2024, Mr E met with Integrity to discuss a mortgage for a property he wanted to buy. Mr E says during that meeting he explained that there were certain complexities with the title of the property. On 24 September 2024 Mr E sent Integrity coloured title plans and a detailed explanation of the title issues.

On 25 September 2024 Integrity emailed the business development managers of several potential lenders outlining the issues with the title. The responses it received all said lending would not be agreed without the title issues being resolved and indemnity insurance would not be sufficient.

Integrity says another lender (I'll refer to it as Lender A) doesn't have a business development manager, so it called Lender A instead. It says it was told property details would be dealt with on a case-by-case basis and the lending decision would be based on comments from the surveyor. Integrity obtained an agreement in principle with Lender A and submitted a full mortgage application on 11 November 2024. A valuation was carried out on 13 November 2024 and Lender A issued a mortgage offer on 19 November 2024.

Mr E says he instructed solicitors to act for him in the purchase on the basis that Lender A provided a mortgage offer.

Lender A's case notes indicate that it first became aware of issues with the title when it was contacted by Mr E's solicitor on 13 January 2025. That information was provided to the surveyor and based on the surveyor's comments, Lender A informed Integrity that it could not lend unless the issues with the title were resolved. The title issues were not resolved and the mortgage didn't proceed.

Mr E complained to Integrity on 23 February 2025. He said he could have avoided the fees he paid to his solicitor if Lender A had been provided with the details of the title he gave to Integrity. In its final response letter dated 9 March 2025, Integrity said it accepts no liability for charges Mr E received from his solicitor. It said its role is to source the best mortgage for its customers' needs but after that it has no input or influence.

Dissatisfied with Integrity's response, Mr E asked us to consider his complaint. Our investigator upheld Mr E's complaint and concluded that Integrity failed to provide Lender A with the details of the title when it applied for a mortgage for Mr E. And that meant Lender A's valuer didn't know about the issues with the title until it was informed of them by Mr E's solicitor, some months later. Our investigator said Integrity should pay Mr E an amount equal to that charged to him by his solicitor to resolve his complaint.

Integrity didn't agree. It said it told Lender A, verbally, the same as it told other lenders in emails and Lender A said it wouldn't make a decision until it surveyed the property. Integrity also said Mr E was offered a mortgage by Lender A, but it was his decision not to proceed. Integrity maintained it had fulfilled its role.

As Integrity didn't accept our investigator's opinion, Mr E's complaint has been passed to me to make a 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.

To decide Mr E's complaint, I've thought about whether Integrity handled Mr E's mortgage application reasonably in the circumstances and, if it didn't, whether any failing led to Mr E incurring costs unnecessarily. So, I've thought about what did happen, according to the evidence available, and compared that to what I think should have happened.

Mr E and Integrity don't appear to dispute that Mr E provided Integrity with details of the title before Integrity made enquiries to lenders. And according to the evidence I've seen, Mr E sent Integrity coloured title plans and an explanation of the title issues on 24 September 2024. I've also seen evidence that, on 25 September 2024, Integrity provided details of the title issues to some lenders. Those lenders declined to lend – at least one giving helpful information about the inadequacy (for its purposes) of an indemnity policy.

Integrity has explained that it had to contact Lender A in a different way because Lender A did not have a business development manager. So instead of emailing a dedicated mortgage representative at Lender A, it needed to speak to a, potentially less specialised, representative on the telephone. Integrity says it was told by Lender A that any property issues would be assessed on an individual basis, and a lending decision would be made based on the comments from the surveyor. Integrity haven't been able to provide a copy of that call recording and neither has Lender A.

Integrity obtained an agreement in principle from Lender A on 11 November 2024 and submitted a full mortgage application for Mr E on the same day. I haven't seen any evidence to suggest that Integrity included the details of the title with Mr E's application to Lender A. Integrity has said that at no point was it asked for or did it supply information regarding the property. So, when Lender A provided a mortgage offer to Mr E on 19 November 2024, neither it nor its surveyor had been provided with details of the title issues. As I've said, Lender A received details of the title issues in January 2025 and said it would only lend if the title issues were rectified.

I think one of two things should have happened differently. From the evidence available, I think Integrity were fully aware of the significance of the title issues. I say that because Mr E provided details and an explanation of the issues. And Integrity has provided evidence that other lenders declined to lend on the basis of those title issues. So, it was essential for Mr E's application to Lender A to include full details of the title issues. Without the details Mr E had provided, the offer that Lender A provided had no value.

I don't know the method by which Integrity submits mortgage applications to Lender A. I accept that, if the only way to do that was electronically (maybe via a portal) it may not have been possible to attach other documents, though I do find that unlikely. And I do think it's likely that there was some facility either on the form or on a submission form for Integrity to add supplemental notes about the application. In any event, given the clear significance of the title issues, I think it was the duty of Integrity to find a way to provide Lender A of those

details before Lender A made a mortgage offer. Integrity has failed to provide us with any evidence that it passed on the details of the title issues to enable Lender A to make an offer in full knowledge of all the significant facts.

Even if it was impossible for Integrity to pass on the details of the title issues to Lender A – something I doubt – Integrity should have ensured that Mr E knew that. And it should have explained to him, because of that, Lender A's mortgage offer had relatively little value and could be withdrawn. Integrity says Mr E was "*fully aware*." But it has failed to provide evidence to show that Mr E was made fully aware or what, specifically, Mr E was made aware of. Mr E says he expected Integrity to pass on the details of the title issues to any prospective lender and thought Integrity had passed those on to Lender A.

Given the lack of evidence Integrity has provided, I think it's more likely than not that it didn't pass on the details of the title issues, and I don't think it informed Mr E of that.

Had Integrity passed on the details of the title issues to Lender A, I don't think Lender A would have made a mortgage offer. And, if Lender A didn't offer, I don't think Mr E would have instructed a solicitor and incurred the solicitor's costs. So, it follows that I think Mr E incurred those costs unnecessarily and I think Integrity caused that to happen. And, had Integrity informed Mr E that it hadn't passed the details of the title issues to Lender A, I think he would have found a way of doing so. I say that because I'm persuaded by the evidence I've seen that Mr E knew the significance of the title issues.

Integrity says the mortgage offer was still valid and acceptable if Mr E and his seller agreed to amend the title to facilitate the purchase as required by Lender A. It says the solicitor said it would only arrange indemnity insurance. So, Integrity argues that it was not the cause of the purchase not proceeding. I understand the point integrity has made in that regard, so I've given it careful thought.

I note that the application ultimately failed because the title couldn't be rectified – or as Integrity might argue, the solicitor wasn't willing to rectify the title. We've not asked the solicitor for a full explanation of why that was. We can't compel a solicitor to carry out such 'work' without charging a fee and therefore add to the costs already incurred by Mr E. However, I don't think I need the solicitor's explanation to conclude that any proposed title rectification was not likely to have been a practical way to proceed. That could be for any number of reasons, such as the fact that it would rely on the full co-operation of third parties that have an interest in the conflicting titles; or that the cost of doing so was likely to be prohibitive. The fact that the solicitor appears not to have explored that avenue further is a strong indication to me that it wasn't a practical resolution. For that reason, I don't think it is reasonable to conclude that Lender A was likely to have ultimately stood by its offer in all the circumstances.

Putting things right

Overall, I don't think Mr E's mortgage application would have proceeded to offer stage if Integrity had provided Lender A with the full details of the title issues. And I don't think, in those circumstances, Mr E would have incurred solicitor's costs. As I think Integrity was the cause of Mr E incurring the solicitor's costs unnecessarily, it should:

- Pay Mr E the equivalent of the costs he paid to his solicitor – I understand those costs to be £840.00.
- Pay Mr E simple interest at 8% of the total of the solicitor's costs from the date he paid the solicitor to the date Integrity settles his complaint.*

If Mr E accepts my decision, he should provide us with evidence showing the amount and date paid to his solicitor so that we can pass that on to Integrity.

* Integrity may deduct income tax from the 8% interest element of my award as required by HMRC. But it should tell Mr E what it has deducted so that he can reclaim the tax if he's entitled to do so.

My final decision

My final decision is I uphold Mr E's complaint about Integrity Insurance Service Ltd and it should settle his complaint in the way I've outline in the "putting things right" section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 25 February 2026.

Gavin Cook
Ombudsman