

The complaint

Mr P and Miss S have complained that they were given unsuitable mortgage advice by a representative of H L Partnership Limited trading as HLP Partnership, and referred to here as HLP.

To settle the complaint, Mr P and Miss S would like HLP to compensate them for their losses, which Miss S has estimated to be £276,918. Miss S has dealt with the complaint throughout, with the consent of Mr P.

What happened

I don't need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr P and Miss S being identified.

In addition, HLP has accepted the advice was unsuitable, and has offered compensation. I therefore don't need to go into all the details of what happened; all I need to determine is whether the compensation offered is appropriate, or whether there is anything further HLP needs to do. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision.

Mr P and Miss S owned a property that was on a five-year fixed rate interest rate mortgage product, taken out in 2020. In 2022 they were advised by HLP to re-mortgage to another lender. Mr P and Miss S had a significant amount of both secured and unsecured debt, and the advice was to consolidate the majority of that debt into the new mortgage.

As a result, Mr P and Miss S incurred an early repayment charge (ERC) on their existing mortgage for exiting their fixed interest rate early. They also had to repay their Help to Buy (HTB) loan, the repayment figure for which was calculated on a percentage of the value of the property at the time of the re-mortgage, as determined by the HTB lender.

Before the mortgage offer was issued, the new mortgage lender carried out a valuation, which valued the property at £490,000 (which is what Mr P and Miss S had believed the property was worth), and the mortgage offer was based on that valuation. However, the separate valuation carried out on behalf of the HTB lender was £390,000. The HTB repayment figure was 20% of the HTB valuation, so £78,000.

On completion of the new mortgage, the solicitors repaid the existing mortgage of £244,000, a secured loan of £35,000 and the HTB loan of £78,000. The remaining balance of £49,000 was paid to Mr P and Miss S, to enable them to settle unsecured debts.

In 2025 Miss S raised a complaint with HLP, saying the advice had been unsuitable. She said the property had been over-valued at £490,000, that the advice to consolidate debt was unsuitable, and that paying off the HTB loan was not in her and Mr P's best interests. Miss S said that she and Mr P were now "trapped" because their property had been over-valued,

they'd borrowed too much and now weren't able to re-mortgage to a new lender due to the high loan-to-value ratio.

After considering the complaint, HLP accepted the advice hadn't been suitable, insofar as the advice to consolidate debt was concerned. HLP also acknowledged that there was no record of the adviser considering whether staying on the existing five-year rate would have been a better option. HLP calculated that the costs incurred were £24,773.25, but savings had been made of £20,138.00 in relation to interest on debts that had been repaid. Including fees refunded, HLP offered compensation of £4,595.25 as the total additional costs incurred. HLP said it would pay simple interest of 8% on this sum, and offered £500 for distress and inconvenience.

Mr P and Miss S didn't accept this was a fair amount, and brought their complaint to our service. Miss S says that she is a vulnerable customer, that HLP failed to take her vulnerability into consideration, made no alterations for her condition, and engaged in high-pressure selling.

An Investigator looked at what had happened but didn't think the compensation should be increased. The Investigator noted the costs incurred, but also considered the savings made in paying off, in particular, the secured loan. The Investigator clarified that it was a requirement for the HTB loan to be repaid where a borrower is re-mortgaging and raising additional funds for debt consolidation. He wasn't persuaded Mr P and Miss S would have done anything different in relation to the HTB loan.

Mr P and Miss S didn't accept the Investigator's findings and asked for an Ombudsman to review the complaint.

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.

Having done so, I've reached the same overall conclusion as the Investigator, for broadly the same reasons.

Miss S has placed great emphasis on what she says is an inaccurate valuation of the property by HLP. However, it was Mr P and Miss S who provided the figure of £490,000 to HLP initially. This was the estimated valuation figure given to the new lender on the application form.

However, I must explain to Mr P and Miss S that, as part of the mortgage application process the new lender would have carried out its own valuation for mortgage purposes, totally independent of HLP. It was the lender's surveyor who ultimately valued the property at £490,000. That surveyor was unconnected to HLP, and HLP would have had no input or influence over either the surveyor's opinion of the property's value or the lender's decision to accept that valuation. I'm therefore satisfied that it wasn't HLP who valued the property at £490,000.

The fact that the HTB valuation was £390,000 meant that, on redemption of the HTB loan, 20% of that sum was due – £78,000. If the HTB valuation had been £490,000, the redemption figure would have been 20% of that, or £98,000. I can't see in HLP's records that Mr P or Miss S challenged the HTB valuation as being too low at the time, or the lender's valuation as being too high. Both valuations worked in Mr P and Miss S's favour, because the HTB valuation meant the redemption figure was lower, and the lender's valuation meant

that Mr P and Miss S received £49,000 on completion of the new mortgage for them to use as they wished.

The redress offered by HLP of £4,595.25 (plus interest) and the amount claimed by Mr P and Miss S of almost £277,000 are clearly far apart. Miss S's claim is based on her and Mr P keeping their new mortgage for the full term of 40 years, which I think is unlikely in all the circumstances. I've noted Miss S says that the property has been valued at much less than £490,000 by local estate agents, which has left her and Mr P unable to re-mortgage, due to the higher loan-to-value ratio. But as I said above, it was the new lender which valued the property at £490,000. Therefore if Mr P and Miss S believe that valuation was wrong and the lender acted irresponsibly in relying on it when it considered the mortgage application, it's something they'll need to raise with the lender.

Overall, after taking account of the calculations provided by both parties, I am satisfied that the redress offered by HLP is correct and fair. It provides a refund of all costs and fees in relation to the advice, the difference in interest between the previous and current mortgages for the fixed-rate periods, a refund of the ERC, interest from the HTB loan, and the difference in interest on the consolidated debts.

According to the debt consolidation summary prepared by HLP, Mr P and Miss S had a total amount of debt of approximately £70,500, including the secured debt of £35,000 which was repaid by the solicitors on completion of the new mortgage. After repaying the existing mortgage, the HTB loan and the £35,000 secured loan, Mr P and Miss S were left with £49,000 and so had sufficient to repay all their remaining unsecured debt.

Because HLP has offered to reimburse the interest on the consolidated debts, I agree with the Investigator that it would not be fair or reasonable for HLP to be ordered to repay the HTB loan of £78,000, or the consolidated debts. This would result in Mr P and Miss S receiving a double benefit. I'm also satisfied that, by repaying the secured loan, Mr P and Miss S have made a saving in relation to the interest they'd have paid on that loan, had it continued to run.

I've noted what Miss S has said about her vulnerability, and that she and Mr P are in a difficult position in relation to either selling or re-mortgaging. I do understand that Mr P and Miss S are unhappy that their property is not worth as much as their new mortgage lender valued it at in 2022. As I said above, that's not something for which I can hold HLP responsible, as it was ultimately their new lender which thought the property was worth £490,000 in 2022.

But I do acknowledge that HLP's actions have resulted in distress and upset, for which compensation should be paid. I think the £500 offered is fair, reasonable and proportionate in all the circumstances.

Putting things right

HLP has agreed to pay Mr P and Miss S £4,595.25, together with interest at 8% per annum simple from the date the advice was given to the date of settlement. HLP has also offered to pay compensation of £500 for distress and inconvenience. I am satisfied both offers are fair and reasonable in the circumstances, and I do not require HLP to do anything further.

If HLP considers that it is required by HM Revenue & Customs to withhold income tax from the interest element of the award, it should tell Mr P and Miss S how much it has taken off. HLP should also give Mr P and Miss S a tax deduction certificate if requested, so the tax can be reclaimed from HM Revenue & Customs if appropriate.

My final decision

My decision is that I don't uphold the complaint insofar as I'm satisfied the redress offered is fair and reasonable in all the circumstances. HL Partnership Limited trading as HLP Partnership must settle the complaint as detailed above. I make no other order or award.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Miss S to accept or reject my decision before 24 February 2026.

Jan O'Leary
Ombudsman