

The complaint

Mr A and Miss D complain about delays in processing changes to their help to buy shared equity loan, which is administered by Lenvi Servicing Limited.

What happened

In 2018 Mr A and Miss D bought a property with the aid of a standard mortgage and also a help to buy shared equity loan, which was secured over their property as a second charge. Using the help to buy scheme they borrowed around £124,000, which was 40% of the purchase price of the property.

Mr A and Miss D later separated and Miss D moved out of the property. In late 2023 the fixed rate on their main mortgage was coming to an end.

Mr A applied for a new mortgage to replace the old mortgage. In order for that to go ahead, he also needed to apply to Lenvi for a deed of postponement (to postpone the help to buy charge so that the new mortgage lender could take first charge) and also to transfer the help to buy loan from being a joint loan in the names of Mr A and Miss D.

Mr A complained. He said he first began the process in March 2023, and it took until May 2024 for everything to go through. As a result, the new mortgage didn't complete until May 2024 and from September 2023 the old mortgage was on the much higher standard variable rate (SVR). This had caused him financial problems, meaning that he had to add a third party to the mortgage to assist with affordability – meaning the third party also had to be added to the help to buy loan.

Mr A said that he had tried multiple times to get in touch with Lenvi. He was given different and misleading information, promised responses that never came, and Lenvi failed to respond to his solicitors. He had to make multiple complaints, and it still took a very long time to resolve. Because part of the complaint involves the continuation of the old joint mortgage, for which she remained liable, Miss D has joined it too. But the complaint has been led by Mr A.

Lenvi said it was first contacted by Mr A on 20 June 2023 to ask about re-mortgaging and removing Miss D. It told Mr A the process he would need to follow in early July. Mr A sent in a valuation of the property in September, and Lenvi replied explaining what other documents it would need. In November Mr A called to ask about the process, and Lenvi emailed him an application form. Mr A sent the application form in, but Lenvi rejected it because it wasn't signed by Miss D. Lenvi also said that the help to buy loan was in arrears, and the arrears would need to be cleared before it could consider an application.

In March 2024, Mr A told Lenvi that he didn't just want to remove Miss D, he wanted to add a new party. Lenvi explained what further documents would be needed. Mr A's solicitors sent all the documents. But the application couldn't be processed because the loan had fallen back into arrears because the direct debit paying it had been cancelled.

The application was ready to proceed in early April. Lenvi says that its standard timescale for

agreeing to the necessary deeds is six to eight weeks. But in this case the deeds were issued in around four weeks, allowing the transfer and re-mortgage to complete in May 2024. Lenvi said that it had therefore completed the process within a reasonable timescale. But it offered £200 compensation for inconsistencies in the information it had given Mr A.

Our investigator thought that was a fair offer. Mr A didn't agree and asked for an ombudsman to review his 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.

I can see that the process took a long time, and I can understand how frustrating that was for Mr A and Miss D – Miss D was waiting to be removed from the loan, and Mr A was having to deal with the requirements for that to happen.

I've looked carefully at what happened to decide whether I think Lenvi was at fault in causing – or partly causing – the overall time taken.

Help to buy loans are administered by third parties acting on the lender's behalf. When Mr A first enquired about making the changes, the administrator was another firm I'll call T. T was replaced by Lenvi in June 2023.

Mr A contacted T in March 2023 to ask about options following the breakdown of the relationship. T sent him information about the process for removing a party from the loan. Mr A emailed T on 20 June, which T forwarded to Lenvi. Lenvi replied on 3 July explaining what was required.

I haven't seen any evidence of further contact between Mr A and Lenvi until September, when Mr A sent a valuation of the property to Lenvi. There was then no further contact until November, when Mr A called Lenvi and it sent him the application forms for removing a party and re-mortgaging. Mr A's solicitors have also confirmed that he began the process with them on 20 November. I therefore can't hold Lenvi responsible for the mortgage moving on to the standard variable rate from September, as – beyond initial enquiries – Mr A didn't begin the process until late November.

The application form was sent to Lenvi in December, but Lenvi rejected it because only Mr A had signed it – it also needed to be signed by Miss D to show she agreed to be removed from the loan.

Lenvi also explained that it couldn't progress an application because the loan was in arrears. Interest is payable after five years, but it appears that the direct debit set up to make payment had been cancelled, with the last payment having been taken in September. The loan terms and conditions say that the loan and all payments must be up to date before any changes can be made. Mr A cleared most of the arrears at the start of January 2024, but the regular payment due in January wasn't made, so the loan remained in arrears. Mr A cleared the arrears in full at the end of January.

In the meantime Mr A's mortgage offer had expired and he applied again. In February, he told his solicitor that he would now be adding his sister as a party to the mortgage and help to buy loan. He also told Lenvi, and Lenvi sent Mr A details of the new requirements for adding a party.

Lenvi explained in early March that it couldn't accept an application which didn't include Miss

D's current address (the application had given her address care of her solicitors). Mr A's solicitors say they were having difficulty getting a redemption statement from the old mortgage lender. This was received and sent to Lenvi with the other documents needed on 18 March.

In the meantime, the help to buy loan had fallen back into arrears because the direct debit had not been reinstated and no other payment had been made in February or March. Mr A cleared the arrears on 26 March. On 5 April Mr A's solicitors provided an extended mortgage offer. After some further discussion with the solicitors, Lenvi sent the deeds to the lender for processing on 8 April. The completed deeds were sent to Mr A's solicitor at the beginning of May.

I'm not persuaded that the delay was largely caused by Lenvi. Mr A didn't begin the process in earnest until November, after his previous mortgage fixed rate had already expired. Then the application wasn't properly completed, and in any case it couldn't proceed because the loan was in arrears. I can't hold Lenvi responsible for the fact that Mr A and Miss D hadn't completed the application properly and hadn't made the payments due.

There was some delay in January and February 2024, but that was because Mr A's new mortgage offer had expired, because the payments to the help to buy loan hadn't been made again, and because Mr A had decided to change from taking the loan over on his own to adding his sister to it. Again, I can't hold Lenvi responsible for that.

I do think Lenvi could have been clearer about its requirements when there was some back and forth with the solicitors at the end of March. But in any case things couldn't have moved faster because the arrears weren't cleared until the end of March. Once everything is ready to proceed, which it was in early April, the standard timescale for issuing deeds is six to eight weeks – in fact it happened sooner than that, in early May.

Overall, then, I'm not persuaded that Lenvi was the cause of the time taken for the transfer and the re-mortgage to complete. I don't think it would be fair to require Lenvi to refund the additional interest Mr A paid on the old mortgage during this time. It is fair that Lenvi compensates Mr A for the inconvenience caused by being unclear about what was required in March. And there were other instances of poor service too, such as Mr A being kept waiting on the phone. Lenvi has offered £200 compensation, which I think is fair compensation for the extra distress it caused by that. As it was Mr A who received the poor service, it should be payable to him.

My final decision

My final decision is that Lenvi Servicing Limited should pay Mr A £200 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Miss D to accept or reject my decision before 13 April 2026.

Simon Pugh
Ombudsman