

## **The complaint**

Ms S complains about mortgage and protection advice she received from New Wave Financial Services Ltd.

## **What happened**

In June 2025 Ms S consulted a mortgage broker, New Wave, about re-mortgaging following the end of a fixed rate period on her mortgage. New Wave arranged a new fixed rate with her existing lender.

Ms S complained about the service New Wave had provided. She said she had been charged a £1,495 fee for New Wave's services, and that she had been told that this was a lifetime fee covering all future mortgage advice, but she felt pressured into paying it – and that payment had been taken by giving her card details over the phone rather than using a secure portal.

Ms S said that a further £1,495 had been added to her mortgage balance without her knowledge or agreement, and she had never been told about this additional fee. She also complained that a direct debit had been set up to collect life insurance payments even though she hadn't agreed to take life insurance. She wanted refunds of both £1,495 fees and compensation of £1,500 for distress and inconvenience.

New Wave said that its adviser had mistakenly charged the incorrect fee. The £1,495 fee was the fee for new mortgage applications, not for product transfers with existing lenders. It offered to honour the offer for future mortgage applications without charge, but when Ms S didn't accept that it offered to refund the fee in full instead. Ms S didn't accept that offer either, and brought her complaint to us.

Our investigator thought New Wave had made a fair offer, but said it should also pay £100 compensation for distress and inconvenience. New Wave accepted that but Ms S didn't. She said as a regulated firm New Wave should have charged her the correct fee, and she had challenged it several times before it offered a refund – it was only corrected because she persisted. She said she had been advised there was no product fee – although it was set out in the loan documents, she didn't at the time realise it was a separate additional fee because it was for the same amount as the broker fee. If she had been aware of the product fee, she wouldn't have accepted the rate switch. She will now be charged interest on this fee over the life of the mortgage. She said £100 compensation didn't reflect the impact on her, and that the product fee should be refunded as well as the broker fee.

## **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 agree with the outcome the investigator reached. I'll explain why.

New Wave has accepted that Ms S was charged the incorrect fee. It's offered to refund the

fee in full. I think that's fair, and it means Ms S won't have been overcharged for the service it provided. I understand why Ms S would have preferred to make payment via a secure portal, but there's no obligation for New Wave to use one – taking payment details over the phone is permitted, provided it keeps Ms S's financial information safe. There's no suggestion it didn't do so here.

I don't think it would be fair to require New Wave to refund the product fee as well as the broker fee. The product fee was clearly set out in the mortgage documents as being a separate fee, payable to the lender direct or to be added to the mortgage. It was the fee charged by the lender for the interest rate it offered.

Ms S accepted the interest rate direct on the lender's portal – New Wave didn't do it for her. The lender did have other interest rates available without product fees, but those were higher interest rates. I think it's likely Ms S was aware what she was agreeing to. If I were to require New Wave to refund the fee, Ms S would be better off than she could have expected – by having a mortgage based on the lower rate (with a fee) without having to pay the fee to access that rate. That wasn't something that was ever available to her.

I don't think the insurance direct debit caused Ms S any detriment. An application was submitted with her information, and the outcome of the application was communicated to her, so it's likely she was aware that was being done – otherwise New Wave wouldn't have had the specific information needed to apply for insurance. And in any case she cancelled the insurance before any payment was taken, so she's not lost out financially even if she didn't want to apply for cover.

I do think New Wave should pay some compensation. I haven't seen evidence that Ms S was placed under any undue pressure. She points to an instance when the adviser emailed her at 4.40am one day. I agree it's unusual for an adviser to send an email that early. But I don't think there was any issue with the content of the email, and there was no expectation that Ms S would read or reply to the email outside the normal working day. I haven't seen evidence of any other undue pressure or unfair treatment. But having to pay a higher fee than she ought to have done, and the time taken to establish that, would have caused her some distress and inconvenience. I agree £100 is fair in all the circumstances.

### **Putting things right**

To put things right, New Wave should:

- Refund the broker fee of £1,495, adding simple annual interest of 8% running from the date Ms S paid the fee to the date of refund. New Wave may deduct income tax from the 8% interest, as required by HMRC, but should give Ms S a tax certificate so she can reclaim the tax if she's entitled to do so.
- Pay Ms S £100 compensation.

### **My final decision**

My final decision is that I uphold this complaint and direct New Wave Financial Services Ltd to pay redress as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 21 May 2026.

Simon Pugh

**Ombudsman**