

## **complaint**

Mr C and Ms V complain that Accord Mortgages Limited did not treat them fairly when they applied for a mortgage with Accord.

## **background**

Mr C and Ms V applied, through a broker, for a mortgage on a property they intended buying. Ms V was paid by an international body and says that the broker advised Accord of the non standard nature of her pay before the application was submitted. Mr C and Ms V paid a processing fee and valuation fee before Accord considered the application and believe they should be entitled to the return of those fees as the application was refused.

Our adjudicator recommended that this complaint should be upheld and the valuation fee refunded to Mr C and Ms V. Her view was that the broker had obtained assurances before the application was submitted. Accord disagreed saying in summary that Mr C and Ms V along with their broker had taken the decision to pay the fees before the application had been accepted.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Mr C and Ms V make the case that they were treated unfairly by Accord when they applied for a mortgage and were refused the mortgage they were looking for but accepted by another lender. In a competitive mortgage market, lenders should be able to make commercial lending decisions as long as they are made fairly. The fact that another lender gave Mr C and Ms V the mortgage they wanted, is not of itself proof of unfairness but may simply indicate that different lenders have different criteria in deciding on whether to lend or not.

Mr C and Ms V have, however, another issue. Their application was not going to be standard. Ms V works for an international body where there is special tax treatment of her pay and receives a number of allowances. Their broker has had several years' experience both in the industry and acting on their behalf. Their broker says that, as it was non standard he gathered the relevant information in advance of the application. He says that he clarified with Accord's Business Development Manager ("BDM") in advance of the Decision In Principle ("DIP") that Accord would be happy with Ms V's employer, payslips and a letter from the employer dated 23 July 2014 confirming her equivalent gross salary. A DIP was done on this basis on 6 October 2014, a full application lodged on 10 October and a valuation fee paid on 13 October.

When the application was reviewed by Accord's underwriters, they were unwilling to accept all of the income listed on the payslips and refused the application. It is a matter for Accord to consider the application and I do not consider the underwriter's actions as unfair. However, Mr C and Ms V say it is unfair that they paid fees on the basis that their broker was told that there would be no issues with the way Ms V's income was presented and this proved not to be the case.

Accord says that Mr C and Ms V paid the fees in advance of the affordability assessment and that they took the risk that the application would not be accepted. The difference in this case is that as a non-standard application, the broker says that he tested whether Ms V's income would be acceptable to Accord in advance of the application and proceeded on that

basis. The broker has a clear recollection of the content of the conversation. Whilst that call has not been available I have listened to 2 subsequent calls sometime later. One call deals with the broker's annoyance at the refusal and a second with another broker who suggests that clients will sometimes push for a valuation in advance of an affordability assessment.

The evidence from the phone calls does not, I believe, undermine the evidence of the broker that he did have a conversation as he says with the BDM about Ms V's non standard pay and was told that it was acceptable to use the gross figure as appears in the employer's letter. The broker was sensibly alerting the BDM to the non standard nature of the application and if the BDM had concerns, he could have raised them with the underwriters at that stage. The case was refused on the basis that "*there were differences in the supporting documentation we received to the original documentation declared on the application form*", but this was the issue the broker says he raised with the BDM. Had the BDM sought some clarification from the underwriters at an earlier stage, it would likely have saved Mr C and Ms V the payment of some of these fees. I consider that the mortgage process fee might have been paid in any event. But, I consider that it was unfair for Mr C and Ms V to pay the valuation fee when it could reasonably have been avoided. So I uphold this complaint and order Accord to refund Mr C and Ms V the valuation fee.

### **my final decision**

My decision is that I uphold this complaint and order Accord Mortgages Limited to refund to Mr C and Ms V the valuation fee of £695.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Ms V to accept or reject my decision before 9 November 2015.

Gerard McManus  
**ombudsman**