

complaint

Mr and Mrs L complain through their representative that The Mortgage Matters Partnership ('MMP') mis-sold their mortgage.

background

In March 2006 Mr and Mrs L (who were then aged 65 and 58 respectively) consulted MMP (who had made contact with them) about obtaining a remortgage. They had an existing mortgage of £36,000 with a high street lender, but wished to raise additional funds for the purposes of redeeming unsecured debt of £12,000 and for other purposes.

In July 2006 they started their new mortgage for £55,000 with Northern Rock – which enabled them to redeem their existing mortgage, pay off their unsecured debts and have funds left over for the cost of holidays and a car.

They make a number of complaints about MMP – including cold calling, failure to advise them to contact their existing lender, inappropriate advice for debt consolidation, early repayment charge ('ERC') on their existing mortgage), extending the mortgage term into retirement, failing to provide Key Facts Illustration ('KFI') in good time and treating them unfairly.

In her letter of May 2014 the adjudicator did not recommend that the complaint be upheld.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have taken careful note of the further representations made on behalf of Mr and Mrs L by their representative.

For the same reasons as provided by the adjudicator, I have seen no evidence of mis-selling. It was open to Mr and Mrs L to consult their existing lender about additional borrowing if they wished and it is unclear why they did not do so, or whether they had but had an unfavourable response as to any further borrowing.

I am satisfied that their monthly payments reduced following the new mortgage, because they were able to reduce or pay off their unsecured debts. They had been paying £603 per month (interest: 5.29%) on their existing mortgage and £375 for their unsecured debts, but the monthly payment on the new mortgage was only £774 (4.99%) but they were able to redeem their unsecured debts. They wanted to extend the term of their mortgage in order to minimise their monthly payments.

The new mortgage offered a *BorrowBack* facility (subject to underwriting and affordability checks) which had not been available on their existing mortgage. Mr and Mrs L made several capital repayments followed by a number of borrowbacks – for example, in July 2012.

Mr and Mrs L were fully aware of the ERC paying on their existing mortgage from the personal mortgage review prepared by MMP and signed by Mr and Mrs L – and indeed completion was delayed till July 2006 in order to reduce the size of the ERC to £1,336. They also agreed to the lending into retirement; Mr L was already retired during their previous mortgage.

I also note that Mr and Mrs L did not make this complaint till 2013, some seven years after their mortgage started.

my final decision

I do not uphold this complaint.

Charles Sweet
ombudsman