

complaint

This complaint's about an unsuccessful mortgage application Connells Limited submitted to a lender on behalf of Mr and Mrs G.

background

The application should never have been made, because there was never any prospect of it being accepted. Connells admitted this and has agreed to reimburse Mr and Mrs G the abortive costs they incurred needlessly. It also offered them £250 compensation, including £100 for slow complaint-handling.

Our adjudicator didn't think the compensation was enough, and recommended Connells pay £600. Connells isn't willing to do that, so the case comes to me to decide.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I don't need to decide the underlying merits of the complaint; they're not in dispute. Nor is it in dispute that Connells should reimburse Mr and Mrs G their out-of-pocket expenses. All I need decide is what a fair level of compensation should be for the time, trouble and upset Connells caused for Mr and Mrs G.

When assessing fair compensation, we don't just look at the nature of the error. We look at the likely effect of the error on the consumers, given their particular circumstances. Mr and Mrs G were looking to relocate; Mr G had a new job and was already working away. Meanwhile, Mrs G was caring for their child following hospitalisation. In my view, that's a set of circumstances that would exacerbate the effect of Connells' mis-handling of an already stressful situation.

My final decision

My final decision is that I uphold this complaint. To settle it, I direct Connells Limited to:

- reimburse Mr and Mrs G £900 for accountancy fees;
- reimburse Mr and Mrs G £285 for the lender's valuation fee; and
- pay Mr and Mrs G £600.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs G to accept or reject my decision before 11 April 2016.

Jeff Parrington
ombudsman