

complaint

Mr and Mrs D complain, through their representatives, that they were mis-sold a mortgage by TSB Finance ("TSB"), a broker.

background

In 2005, Mr and Mrs D were looking to re-mortgage and sought advice from TSB. They were advised to take out a repayment mortgage over 15 years with a subsidiary of a high street lender. The mortgage included £20,000 borrowed for debt consolidation. Mr and Mrs D now complain that it was mis-sold. They say that TSB should have advised them to seek debt advice rather than recommending consolidation, and that the mortgage was not the best that was available at the time. They say that the broker didn't consider affordability, that the term extended into retirement and that it was taken out on a more expensive self-certification basis.

TSB says that self-certification was necessary because Mrs D was paid on a cash in hand basis and couldn't prove her income. That limited the range of lenders available to them – Mr and Mrs D had been turned down by several lenders before approaching TSB. It says the mortgage was affordable and suitable.

Our adjudicator didn't recommend upholding the complaint, and Mr and Mrs D's representatives now want a final decision from me.

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'm not persuaded that this mortgage was mis-sold.

While I haven't seen a detailed affordability calculation on TSB's file, I note that the amount borrowed was only around twice their combined gross income. Mr and Mrs D's representatives haven't provided any evidence of other significant outgoings at the time (other than the debts to be consolidated) or that they have in fact struggled with the payments. I therefore have no evidence to find that the mortgage was unaffordable.

Mr and Mrs D's representatives said, in a letter to this service, that when they approached TSB they were "seeking advice about consolidating their debts with their mortgage".

Therefore, it seems clear that the impetus towards consolidation came from them. Mr and Mrs D's representatives haven't given me any information about the debts that were consolidated or about their circumstances at the time. It seems likely that – given that their unsecured debts were about 60% of their combined annual income – the repayments were high and consolidation would have significantly reduced their monthly outgoings. But it would also have increased the total payable. Ultimately, I haven't been given any evidence – and so I can't say that they should have been advised not to consolidate.

Nor can I find that the product itself was unsuitable. It ends when Mr D will be 54 and Mrs D 63 – so doesn't stretch into retirement. It was not an advised sale, and taking into account their personal circumstances at the time – which would have restricted their choice of lender and product – it was not outside the range of reasonable products to have taken.

my final decision

For the reasons I have given, my final decision is that I don't uphold this complaint.

Simon Pugh
ombudsman