

complaint

Mr and Mrs P complain about how London and Country Mortgages Ltd (L&C) dealt with their re-mortgage application. They ask for compensation.

background

L&C applied for a mortgage on behalf of Mr and Mrs P in October 2017. The mortgage completed in January 2018. Mr and Mrs P's previous mortgage product expired at the end of December 2017 and their lender applied its standard variable rate. Mr and Mrs P say this cost them about £800 to £900 in additional interest. Mr and Mrs P say L&C was slow, made errors in their application and ignored their correspondence.

The investigator didn't recommend that the complaint should be upheld. She said while the process had taken longer than Mr and Mrs P had hoped, L&C hadn't caused unnecessary delays.

Mr and Mrs P didn't agree. Mr P said the time taken to process their application was too long and unreasonable. He said L&C didn't tell them they could apply to a different lender that could process their application more quickly. Mr P said L&C made errors on the application form. He said it knew about their credit card accounts at the outset and said they didn't need to include them.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mr and Mrs P's re-mortgage took about three months. Mr and Mrs P say this was too long. But based on the available evidence I don't think this was due to errors by L&C.

Mr and Mrs P applied for a 90% loan to value (LTV) mortgage. They wanted to increase their borrowing to fund home improvements. Their property was valued at less than they'd estimated and they didn't qualify for the 90% LTV mortgage. The lender also raised concerns about the affordability of the loan they applied for.

L&C recommended a mortgage that would allow Mr and Mrs P to take out additional borrowing for home improvements. While Mr and Mrs P say they'd have preferred another lender, this lender wouldn't have offered the additional lending. L&C didn't know when it recommended the mortgage that Mr and Mrs P's property valuation would be lower than expected. When this happened it discussed options with them, including applying to a different lender or reducing the amount they wanted to borrow. L&C wasn't responsible for delays resulting from the lower valuation.

The lender had concerns about the affordability of the mortgage and asked for further information in early December 2017. It asked about Mr and Mrs P's credit card debt and Mrs P's maternity leave.

L&C didn't include credit card debt in Mr and Mrs P's application as they'd told L&C they paid off their credit card accounts each month. The lender asked for further information as the information it received from other sources wasn't consistent with this. I don't think L&C was aware of Mrs P's maternity leave. I don't think L&C was responsible for delays related to the lender asking for more information about these matters.

While L&C made an error on the application this was corrected and didn't cause delays. And I don't think there were unreasonable delays in L&C contacting Mr and Mrs P or the lender or in passing on information and documents which delayed the application process.

I understand Mr and Mrs P's frustration about the time taken for the re-mortgage. But I don't think, based on the available evidence, this was due to errors by L&C.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs P to accept or reject my decision before 25 August 2018.

Ruth Stevenson
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