

complaint

Mr U and Miss D complain that Evolve FS Limited submitted a factually inaccurate mortgage application. They say they've lost out financially as a result, and want compensation.

background

In what follows, I have summarised events in rather less detail than they've been presented. No discourtesy's intended by that. It's a reflection of the informal service we provide. This approach is consistent with what our enabling legislation requires of me. It allows me to focus on the issues on which I consider a fair outcome will turn, and not be side-tracked by matters which, although presented as material, are, in my opinion peripheral.

Mr U and Miss D asked Evolve to find them a mortgage; they were first-time buyers, and they were looking to secure a new-build property. They completed a fact-find, which Evolve used to source them a mortgage with lender B. Unfortunately, there was a mix-up with some of the information on the fact-find. This was to do with which of Mr U and Miss D's credit card debts would be repaid and which would not.

Mr U and Miss D sent emails to correct the information they'd provided, but it seems Evolve's advisor didn't fully assimilate the detail; he submitted an application to B saying they'd be debt-free whereas they intended keeping one credit card balance running. When B was given the true picture, it agreed to lend provided the remaining credit card debt was reduced by £900. Mr U and Miss D paid the £900, and as I understand it, the mortgage offer was issued by B for the amount Mr U and Miss D needed.

Mr U and Miss D complained. They said Evolve's submission of a false application in their name was potentially damaging to their credit profiles; and they risked further damage still if a second, correct, application was submitted. They say they've lost £900, and paying it meant they were unable to book an intended holiday.

Our investigator initially wasn't minded to uphold the complaint. That's because the initial mistake about what would be happening to the credit card balances was made by Mr U and Miss D when they filled out the fact-find. She changed her mind, however, after seeing an email exchange in which Miss D clarified things and the advisor apologised for having misunderstood the position.

The investigator didn't think this changed the wider outcome; she thought it most likely events would still have unfolded as they did if the correct information had been submitted to B all along. She recommended Evolve pay Mr U and Miss D £250 compensation for their time, trouble and upset, which Evolve agreed to do. But Mr U and Miss D have asked for their complaint to be reviewed by an ombudsman. They say £250 doesn't compensate for a £900 loss.

my findings

I assure both parties I've considered all the available evidence and arguments – including Mr U's email of 18 July 2018, to decide what's fair and reasonable in the circumstances of this complaint. If I don't comment on any specific point it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right

outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

This is a complaint which, at its heart, is altogether more straightforward than it's been made to look. Much of the consumers' submissions – and Mr U's final submission in particular – focus on what might have happened. But we don't award compensation for something that could have happened but didn't; we deal with what did actually happen.

Also, there's more to dispute resolution than simply apportioning blame; that might be necessary sometimes, but my primary focus is deciding how a dispute should fairly be settled. If I need to find fault or criticise in order to achieve that, I will, but only if I consider it necessary. Here, I don't.

There's no dispute that the initial application to B said Mr U and Miss D would be free of all existing debts after completion, when in fact that wasn't the intention. I've looked carefully at everything from both sides about who said what and when; to be honest, I put this down to a genuine mix-up of the type that can often happen in any exercise involving human beings, however well-intentioned and thorough the participants may be.

I can see from their comments how angry and upset Mr U and Miss D are; they're understandably worried that there could have been adverse consequences for them. But as I said, we don't deal in "could haves", and the potentially adverse consequences they've cited didn't arise. The correct information was provided to B, which said it would consider granting the mortgage if Mr U and Miss D reduced the remaining credit card debt by £900.

Mr U and Miss D have done that, and whilst I appreciate they're not happy at having to do so, it was a condition of them being able to borrow the money they wanted. Had the correct info been given upfront, B would still have needed the debt reduced by £900. So it's not a consequence of anything Evolve did wrong. Even if it had been, paying off debt isn't a financial loss, because the debt has reduced by the amount paid.

Mr U and Miss D have had an upsetting experience, and it's reasonable that they should be compensated for that. In my view, £250 is fair in all the circumstances.

my final decision

My final decision, for the reasons set above, is that I uphold this complaint in part. In full and final settlement, I direct Evolve FS Limited to pay Mr U and Miss D £250. I make no other order or award. . My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U and Miss D to accept or reject my decision before 16 September 2018

Jeff Parrington
ombudsman