

## **complaint**

Mr and Mrs L complain that B2B Loans & Mortgages Limited ("Y3S") didn't follow their instructions and repaid the wrong debt using money borrowed for loan consolidation. They also are unhappy about how long the application took, the number of surveyor reports, that photos were taken of each room in their property, and that their children were asked to sign a disclaimer. They want the interest rate for the secured loan reduced and a refund of £6,400 which is the amount paid towards the wrong loan.

## **background**

Mr and Mrs L took out a secured loan, using Y3S as the broker, in order to consolidate two of their debts and pay a final payment for car finance (pay them off using the money borrowed). They said that Y3S used £6,400 of the loan to repay the wrong debt, and took too long to complete the application. Mr and Mrs L were also unhappy that three surveyor reports were needed and that photos were taken of each room. They also felt that it wasn't right that their children had to sign a disclaimer. They were concerned that other creditors might now demand repayment.

Mr and Mrs L complained to Y3S. It said the application did take longer than normal. It explained this was because Mr L had a poor credit rating, 15 defaults, had missed mortgage payments and had a large amount of unsecured debt. Most lenders had refused to lend, and the lender who did agree to the loan only did so after getting information from Mr L's employer. The debt of which Mr and Mrs L were complaining about had to be paid as a requirement of the new secured loan, which Mr L knew and agreed to do. Y3S said Mr L agreed directly with the lender to borrow more money to pay the car finance final payment. Y3S also said that only one survey report was required by the lender and it didn't know why it ended up with three. It pointed out that it was standard practice for lenders to require children over the age of 18 to sign a disclaimer, and it was the surveyor's choice to take the photos.

Mr and Mrs L complained to us. The adjudicator's view was that Y3S wasn't at fault. The lender made it a condition of the loan that the particular debt was paid or it wouldn't lend. Mr and Mrs L were aware of the condition and accepted the loan. They were also aware that they'd need to borrow more money to have enough to pay the car finance final payment before completing the loan, and they chose to go ahead. He also didn't think Y3S caused the application to be delayed – it was complex and took time.

Mr and Mrs L disagreed. They said Y3S had admitted on the phone that it had made a mistake. The adjudicator said that it was clear from the evidence that Y3S wasn't at fault.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. This service has already dealt with a complaint against the lender, so I can't deal with that issue.

Y3S isn't responsible for the actions of the lender or its agents. The number of surveyor reports required, the photos taken by the surveyor and the requirement that adult children sign the standard disclaimer aren't actions by Y3S, so it isn't at fault for these issues.

Y3S made Mr L aware that the lender required the debt of which this complaint is about to be paid as a condition of the loan. This was because the debt had to be dealt with before the new lender could register its charge against Mr and Mrs L's property as security for the secured loan. Mr and Mrs L agreed to accept the loan, despite this condition. The lender also told Mr L this on the phone before the loan was taken out. And Mr and Mrs L knew before the loan was taken out that they needed more money to pay the car finance final payment. Y3S isn't at fault in the circumstances.

I agree that the application did take some time, but I don't think Y3S was at fault. The financial position of Mr and Mrs L wasn't good and most of the lenders approached by Y3S refused to lend to them. This took time. And Y3S had to discuss the loan with the lender who did lend money in the end and provide further evidence. I can't say Y3S caused any delay in the circumstances of this case.

### **my final decision**

My final decision is that I don't uphold the complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs L to accept or reject my decision before 29 August 2017.

Claire Sharp  
**ombudsman**