

## **complaint**

Mr and Mrs G complain that they were mis-sold a mortgage by The Mortgage Matters Partnership (MMP).

## **background**

Mr and Mrs G had a mortgage, a secured loan, and some unsecured loans and credit cards. Acting on MMP's recommendation, they re-mortgaged, consolidating their other debts to the mortgage balance. They paid an early repayment charge ("ERC") to their existing lender.

Mr and Mrs G's representative says that the mortgage was mis-sold. It says that consolidating the loans (but not the credit cards) was inappropriate. It says that there was no need to pay an ERC, and it says that they should not have re-mortgaged to a sub-prime lender. It complains that the advice was driven by MMP, which cold-called them to obtain their business.

Our adjudicator didn't recommend upholding the complaint, and so Mr and Mrs G's representative has asked that an ombudsman make a final decision.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I find that I am in agreement with the adjudicator that this complaint should not be upheld.

Mr and Mrs G's representative has explained why it believes that the recommendation was unsuitable. But it has done so by criticising the advice given in isolation; it doesn't say what Mr and Mrs G's objectives were at the time, or what their current recollection of the advice they were given now is.

The paperwork completed at the time, by contrast, clearly records what Mr and Mrs G wanted to achieve and their priorities. Their main priority was to consolidate their debt and reduce their outgoings – they wanted to achieve a total monthly payment, across all their debts, of £450. The recommended mortgage was slightly below that during the fixed rate period and slightly above it afterwards. It met that objective – and consolidating the debt (plus a term extension) was what allowed that to happen.

Mr and Mrs G also wanted to move from their existing variable rate mortgage to a fixed rate. Again, that was achieved. Although there was an ERC, they were advised of that and it was the only way of achieving their objectives in the short to medium term.

Mr and Mrs G's representative says that they had no need to consolidate their debt, because their monthly surplus of income over expenditure was around £850. I don't agree – what is recorded on the fact find is their expenditure on debts, utilities and similar. Routine expenditure on food, travel, clothing and the cost of living generally isn't included in the fact find. I agree that it would have been better had those items been included. But I can't see that any loss has resulted from that; Mr and Mrs G got a mortgage that met their objectives and there is no suggestion that it was unaffordable.

Mr and Mrs G also complain that a sub-prime lender was recommended. But I can see that there were two reasons why that was the case; because their leasehold property had a

remaining lease term too short to be acceptable to mainstream lenders, and because they had adverse entries on their credit records. In the circumstances, I agree that it is likely that this lender, and others of its type, were all that were available to them.

I don't have any evidence from the time of how Mr and Mrs G were contacted. Their representative says that they were cold-called, and MMP says that they expressed an interest in mortgage advice and it bought the lead from another company. But I don't consider how they were contacted to be of great relevance to the suitability of the advice they received once they agreed to proceed.

Taking everything into consideration, I'm satisfied that the recommended mortgage met Mr and Mrs G's objectives. It was appropriate for their needs and circumstances. It was suitable, and so not mis-sold.

### **my final decision**

For the reasons I have given, my final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs G to accept or reject my decision before 20 March 2015.

Simon Pugh  
**ombudsman**