

## **complaint**

Mr M complains about his mortgage application to National Westminster Bank Plc. He says NatWest misled him into thinking he'd be able to borrow more than he could, which meant he needed to find more money towards the deposit at short notice.

## **background**

Mr M had a mortgage with NatWest and was moving house. He'd had various conversations both over the phone and in person leading up to his application. On 11 December 2018 Mr M asked about borrowing £121,500 towards a £135,000 purchase price and was told that failed affordability; the maximum loan was £116,400.

Later that week Mr M met with a NatWest mortgage adviser to apply for his new mortgage. By then he had letters from his partner and his partner's parents to say they were gifting him the deposit for the property; £11,900 from his partner and £5,200 from his partner's parents. The letters said they'd have no interest in the property and the monies were gifts and weren't repayable. The mortgage completed on 15 February 2019.

Mr M complained that he had to borrow the extra deposit from his partner's parents, and about the service he'd received. NatWest said that whilst the actual application was assessed correctly, it was sorry if Mr M had been provided with incorrect information leading up to that. It also apologised that Mr M's contact details weren't updated when they should have been. It said in recognition of the trouble caused it would pay £300 compensation.

Our adjudicator thought NatWest's offer was fair. Mr M didn't agree and so it's been passed to me to decide.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I trust Mr M won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint.

Although I've read and considered the whole file, I'll keep my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome. This service is impartial between, and independent from, consumers and businesses. What this means is that we don't represent either party, and I don't act under either's instructions or take directions on how a complaint will be looked at or what questions should be asked or answered.

Whilst I acknowledge how frustrating it is when a business makes a mistake, mistakes do happen. In this case Mr M says he was told he could borrow more than he was eventually able to. If proven, this would be a mistaken statement of facts; otherwise known as a misrepresentation. When we're looking at complaints of this type, we consider the appropriate remedy is to place the consumer in the position they would be in if the incorrect information hadn't been given. We don't put them in the position they would be in if it had been correct.

Mr M could never have been in the position where NatWest was willing to lend him more than it did. Any potential mistake was corrected *before* Mr M formally applied for the mortgage. That means Mr M has already had the appropriate remedy in that he knew the true position before he applied for the mortgage (so wasn't tied to taking it out), and that was two months before the transaction completed. If Mr M wasn't happy with that position, he could have looked for a mortgage elsewhere or found a cheaper property. Instead he chose to proceed and received the extra amount he needed as a gift from his partner's parents.

Mr M says there's been no explanation of why his mortgage payment is a lot higher than was originally quoted. NatWest hasn't found any record of any formal quotes being given previously. The only approximate figures we've found mentioned related to a potential loan of £90,000 (rather than the £116,400 Mr M ended up taking out). Mr M has said he was quoted under £450 a month for £140,000 with just a 10% deposit, but NatWest didn't have a rate available at that time that could achieve that. In any event, the amount Mr M is paying is the correct amount for the mortgage he's eligible for. Even if Mr M had previously been quoted lower amounts that would be considered a misrepresentation as I've explained above, and the misrepresentation was again corrected before Mr M was committed to taking the mortgage.

Finally, Mr M complained that NatWest didn't update his contact details when it should. He's referred to this as *"serious breaches regarding my personal data"*. I can reassure him there have been no breaches in his personal data as none of his information has been passed to an unauthorised third party. Instead this was a customer service failing in that staff didn't update the information as they should, and when it was updated in one of NatWest's systems the information didn't pull through to its other system as it should.

Mr M has said *"You said that Natwest had given me £300 for this complaint but it was related to the serious breaches regarding my personal data and I do not consider that part of this complaint."*

But that's not right. The response from NatWest that offers the compensation doesn't say it's just for the personal data issue, it clearly says it upholds both parts of his complaint; that is the personal data issue *and* that incorrect information may have been provided before Mr M completed his application. The NatWest complaints handler apologised for both issues and said *"Although, I cannot change the experience you have had, as a gesture of apology and in recognition of the trouble caused to you, I have arranged for a payment of £300 in compensation to be credited to the bank account that you pay your mortgage direct debit from. I appreciate that a monetary amount is not a substitute for good customer service but I do hope that it goes some way to reinforcing my apology."*

So, it's clear from this that the compensation was for both issues. We're not the regulator and it's not our role to fine or punish a business and our awards aren't punitive. Clearly no amount of compensation can change what happened; all I can do is consider the impact of a business's actions on the consumer. NatWest has paid £300 compensation and having looked at all the evidence – and keeping in mind the level of award we normally make – I consider that to be fair and reasonable.

**my final decision**

My decision is that I don't uphold this complaint, in the sense that I consider National Westminster Bank Plc made a fair offer in its response to Mr M's complaint. As that amount has already been paid, I make no order or award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 March 2020.

Julia Meadows  
**ombudsman**