

complaint

Mr S and Mrs W complained that National Westminster Bank Plc (“NatWest”) wouldn’t provide them with free legal work when they applied for three buy to let mortgages.

our initial conclusions

Mr S and Mrs W say they were told that if they forwarded the solicitor’s invoice it would be settled by NatWest. NatWest didn’t honour this arrangement to pay. It also said that their mortgages remain unregistered because the solicitor acting had been closed down and Mr S and Mrs W would also have to pay for this. In addition Mr S and Mrs W say the whole process was characterised by delays and errors. NatWest agreed that there were inaccuracies on the offers of loans that were issued and also about the length of time it took to advise whether Mr S and Mrs W would be able to use their own solicitor and other errors. It paid Mr S and Mrs W £300 in compensation. It didn’t agree that it should pay back any money for legal fees. Our adjudicator thought this was reasonable and accepted that Mr S and Mrs W had to appoint their own solicitors. He also thought that a further £150 should be paid for giving inaccurate information about the free legal work- so he upheld the complaint because he increased the compensation. Mr S and Mrs W didn’t agree. They think the legal fees should be reimbursed.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr S and Mrs W and NatWest have provided. I will explain why I agree with the adjudicator. The transactions involved some complex issues and more legal work than is ordinarily the case. I’m not satisfied this was clear from the beginning. When it became apparent, Mr S and Mrs W were told to appoint their own solicitor. Although I can see an agent may have told Mr S and Mrs W that they would be reimbursed I think this was in error. I can see that Mr S and Mrs W appointed their own solicitor who was closed down before they completed their transaction. I think it is reasonable for NatWest to expect a solicitor to carry out the post completion work and register NatWest’s interest in the mortgage. Our adjudicator has told National Westminster Bank Plc to pay a further £150 in addition to £300 already paid as compensation. I think that’s fair. My final decision is that I uphold this complaint that National Westminster Bank Plc should pay a further £150 in addition to £300 already paid to Mr S and Mrs W.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S and Mrs W either to accept or reject my decision before 6 July 2015.

Nicola Woolf

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

I can see the legal work involved more than a simple re-mortgage. I can't say that NatWest's representative would have known from the outset that this transaction wouldn't qualify for free legal work. I can see the terms and conditions of the mortgage offer state that free legal work would be included for standard re-mortgage work. I don't think this was standard and I think the extent of the legal work would have only become obvious once the full paperwork had been considered. Although one of NatWest's representatives may have indicated that he could arrange to have the solicitors invoice paid I think this was in error- I don't think NatWest should be responsible for his mistake. The registration of the mortgage at the land registry was part of the original transaction which was not finalised- so I don't think NatWest should be responsible for these fees.

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.