

## **complaint**

This complaint is about a mortgage Mr K took out in 2018, using the services of London and Country Mortgages Ltd (L&C). Mr K is unhappy at how long the application took, and says the delays resulted in him taking out a more expensive mortgage than originally intended.

## **background**

In what follows, I have, by necessity, summarised events in rather less detail than has been presented, using my own words to do so. No discourtesy's intended by that. It's a reflection of the informal service we provide, and if I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint. 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 or, in some instances, have little or no impact on the broader outcome.

Mr K already owned a property, free of mortgage. He wanted to raise a mortgage on it to buy another property. He approached L&C in mid-June 2018 and was provided with an illustration for a mortgage with a lender I'll call "H". The illustration was for a five-year fixed rate of 1.89%. Mr K went ahead with the application to H, and there then followed a process whereby information and supporting documents were requested and provided, so that H could approve the application.

Unfortunately this process was protracted, involving delays, duplication and, at times, failures on L&C's part to contact Mr K as promptly as it should. It was only on 13 September 2018 that H issued the mortgage offer, and by then, the 1.89% deal had been withdrawn. The offer from H was for a 1.94% five-year fixed rate, and this was drawn to Mr K's attention on 18 September 2018.

When Mr K queried this, L&C said H also had a product at 1.84%, but this would require a new offer to be raised, which it was anticipated would take up to another week to produce. Worried that the prospect of further delay might cause him to miss his preferred date for completing the purchase, Mr K decided to go ahead with the 1.94% deal he'd been offered. He then complained about how L&C had handled his application.

L&C agreed that the service it had provided hadn't been all that it should be, but it didn't agree that all the delays were its fault. It offered Mr K £50 compensation for his time and trouble, and when the complaint came to us our investigator considered this a fair offer. He didn't think L&C should compensate Mr K for the extra interest he'll pay due to the change of product, as Mr K had chosen to take it rather than wait a little longer for a cheaper deal to be offered. Mr K asked for his complaint to be reviewed by an ombudsman.

## **my findings**

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority. We deal with individual disputes between businesses and their customers. In doing that, we don't replicate the work of the courts.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. But in doing so, we have to work within the rules of the ombudsman service, and the remit those rules give us.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. As I said earlier, 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. I don't have to answer every question posed of me; my remit is to take an overview and decide what's fair "in the round".

Whilst I acknowledge how frustrating it is when a business makes a mistake, mistakes do sometimes happen. I've no doubt that the three months it took for Mr K to get his mortgage offer must have been a very annoying period for him. Mortgage approval isn't an exact science, and there's no "set" length of time for an offer to be provided. Nonetheless, three months is longer than I'd generally expect, but it's true that not all of that delay was down to acts or omissions on L&C's part.

It wouldn't be appropriate for me to comment here on how H dealt with the application or whether its information requirements were proportionate. But it would be equally inappropriate for me to hold L&C to account for events that were outside its control. Taking a step back, as I must, and assessing the wider circumstances in their proper context, L&C's shortcomings made a relatively modest contribution to the overall time frame, and it's fair that my award of compensation reflect that. That leaves the matter of the extra interest.

Mr K made his application on the basis of the illustration L&C provided, which was for a rate of 1.89%. However, by the time H was ready to issue an offer, that product had been withdrawn, and in its place, there were two alternatives; at 1.94% and 1.84% respectively. It was H, not L&C, which issued the offer at the higher of the two, and Mr K was given the option of having the offer re-issued on the cheaper rate.

I can appreciate why Mr K chose not to take that option. He'd already waited longer than he'd expected to get his mortgage offer, and he was concerned that a further wait might jeopardise his timetable and force him to push back his completion schedule. Ultimately though, the decision to continue on the 1.94% product was made by Mr K, and it's possible he avoided other costs and/or disruptions by doing so. But he made that decision knowing that it would mean he'd pay more interest. That was Mr K's right, but it was also his choice, and he must accept the consequences that flow from that.

**my final decision**

For the reasons set out above, my final decision is that I uphold this complaint in part only. In full and final settlement, I direct London and Country Mortgages Ltd to pay Mr K £50. 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 discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 February 2020.

Jeff Parrington  
**ombudsman**