

## **complaint**

Mr and Mrs F complain that they were given unsuitable mortgage advice by Legal & General Partnership Services Limited.

## **background**

Mr and Mrs F re-mortgaged in 2008 after receiving advice from Legal & General. It recommended a repayment mortgage with a five year fixed interest rate of 6.59% per annum. They consolidated unsecured debts of just over £13,500. A complaint about a related payment protection product taken at the time has already been settled.

The adjudicator did not recommend that this complaint be upheld. She said that:

- Mr and Mrs F had not expressed any preferences around the type of interest rate product.
- There was no way of knowing at the time that general interest rates would fall and stay low for a long period of time.
- There was nothing to suggest that the product recommended was not suitable.
- Legal & General said that if Mr and Mrs F had not consolidated unsecured debt they would only have been left with £27 a month of disposable income.
- By consolidating debts they had about £373 per month.
- She noted that one of the unsecured debts was at a similar rate to the re-mortgage and had about 30 months to run.
- If this had not been consolidated disposable income would have fallen to £150 a month which she considered low in relation to Mr and Mrs F's circumstances.

Mr and Mrs F, who are represented in this complaint, did not agree. Their representative said that an analysis of their discretionary expenditure showed that Mr and Mrs F were not in financial difficulty. The premium for payment protection had an impact on the need to consolidate unsecured debt. It said that insufficient weight had been put on Mr and Mrs F's objectives and how the mortgage was sourced.

## **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 agree with the adjudicator's assessment about the re-mortgage product. I've seen nothing to suggest that the interest rate product that was recommended was not suitable and did not meet the needs of Mr and Mrs F.

I can see from the case notes that Mr and Mrs F were recorded as wanting to "*clear debt*" and "*have a life for a change*". The documentation from Legal & General states they were made aware of the higher additional costs of consolidating unsecured debt over the life of the mortgage.

Their representative suggests that some expenditure items were discretionary. But that's not what Mr and Mrs F said to Legal & General at the time. The broad picture is that the impact of the re-mortgage was to increase their disposable income. And had they not consolidated their unsecured debts this would have been much lower.

The complaint about the protection product has already been settled. And I don't think the related monthly cost made a significant difference to the decision to consolidate debt. Nor do I consider that there's a strong case to say only part of the unsecured debt should have been consolidated.

I'm not persuaded that the advice to consolidate unsecured debt was unsuitable.

**my final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs F to accept or reject my decision before 29 March 2016.

Michael Crewe  
**ombudsman**