

complaint

Mr T complains through his broker that Aldermore Bank plc would not lend him money although he fitted its lending criteria.

background

Mr T was involved in a divorce and had to provide a matrimonial settlement via a re-mortgage by the end of October 2015. Mr T submitted the decision in principle which was accepted and Aldermore instructed a valuation. At this point Aldermore declined the application and told Mr T that its underwriter was not happy to lend the money. Our adjudicator did not recommend that this complaint should be upheld as she felt that Aldermore had made a legitimate decision based on Mr T's individual circumstances. Mr T disagrees saying in summary that he was a standard fit for Aldermore's lending criteria.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr T was anxious to get a remortgage to pay for a matrimonial settlement. He had a poor credit history and contacted a broker who made an application to Aldermore. Mr T provided all relevant information including about his poor credit history. Aldermore issued a decision in principle and Mr T assumed that a mortgage offer would follow. But Aldermore then declined the application.

Aldermore says that it declined the application as its underwriter was not happy. After investigation by our adjudicator, it seems that the underwriter was not happy that Mr T would pay off an outstanding loan, that Mr T's mortgage payments would not reduce and that Mr T would be making a lump sum payment to his ex-wife. Mr T says he disclosed these issues to Aldermore at an early stage.

Mr T expected Aldermore, which specialises in the sub-prime market, to approve the mortgage and to reflect the risk in the interest rate charged. But a decision in principle is not a mortgage offer and Aldermore was entitled to have an underwriter assess the risk. Unfortunately, after this assessment Aldermore turned down the mortgage but I see it refunded the valuation fee.

I know that Mr T is concerned that Aldermore may not have given individual attention to this application. He says he thought Aldermore's decline was non-specific. I am satisfied that Aldermore considered the individual risk associated with the application. And because it specialises in the sub-prime market does not mean it has to accept every application.

I appreciate that Mr T may disagree with Aldermore's risk assessment but it is up to Aldermore to decide whether to lend money or not. In the event it refused the application but that was a matter for Aldermore. For that reason I cannot fairly uphold this complaint.

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 T to accept or reject my decision before 11 April 2016.

Gerard McManus
ombudsman