

complaint

This complaint is about a mortgage arranged for Mr S by an adviser connected with Legal & General Partnership Services Limited ("L&G").

Mr S is concerned about the suitability of advice to consolidate a 0% credit card debt into a mortgage term. To resolve this complaint, he'd like compensation.

Mr S is represented by a third party I'll call 'R'.

background

On the advice of L&G's adviser Mr S took out a new mortgage that included an extra amount to allow him to clear credit card debt, including one card on a 0% deal.

L&G said this was fully discussed with Mr S. Notes made at the time showed that Mr S wanted to remortgage for the purpose of clearing credit card debt. And he'd signed to say he wanted to pay off his credit cards "*using money set aside for this purpose within the new mortgage*".

Our adjudicator didn't recommend upholding the complaint. She felt the mortgage and debt consolidation advice L&G gave Mr S was suitable on the basis that:

- the advice to consolidate a 0% credit card wasn't unsuitable as the rate would shortly increase and put up Mr S' monthly payment
- on the new mortgage deal Mr S was better off on a monthly basis after consolidating debt (even before his monthly repayments on the 0% deal went up)
- Mr S was aware of the implications of consolidating debts and chose to go ahead.

On behalf of Mr S, R says our adjudicator relies too much on conjecture and assumption in relation to issues that should be matters of fact, recorded in the sales and advice documentation. It says information she's found out should've been provided by L&G. R is confident that Mr S could've taken out another 0% deal.

So the complaint has been referred to me to decide how it should be settled.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Looked at overall, I agree with our adjudicator. Here's why I say this.

I have to decide if L&G's recommendation was fair and reasonable. In coming to my decision, I've concentrated on looking at Mr S' money situation and what his main priority was at the time.

The mortgage paperwork he signed shows Mr S wanted to secure a better mortgage and consolidate his 0% credit card debt because the rate was ending soon. L&G gave Mr S all the information he needed to make an informed decision, including information about the

costs of consolidation and explained the reasons behind its recommendation. Mr S ended up with a mortgage that had a lower interest rate than he'd been paying and one reduced monthly payment in place of three separate bills to pay for his mortgage and credit cards.

I've taken into account what R says about the possibility of Mr S getting another 0% deal on a credit card. But if he'd wanted to apply for another 0% deal, I think he'd already have followed that option up instead. His 0% deal didn't have long left to run – and he hadn't managed to pay off the balance on that credit card. It seems clear to me that Mr S' preferred option was (as he said at the time) to borrow extra on his mortgage to clear all his credit card debt in one go.

Based on the information I've seen, I don't find that the mortgage L&G recommended was unsuitable for Mr S. And I'm satisfied Mr S had enough information to be able to make a properly informed decision about which debt to consolidate.

my final decision

For these reasons, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask R on behalf of Mr S to accept or reject my decision before 4 July 2016.

Susan Webb
ombudsman