

complaint

M, a claims management company acting on behalf of Miss D, complains that her mortgage was mis-sold by an appointed representative of Legal & General Partnership Services Limited ("L&G").

background

Miss D remortgaged in 2005 acting on a recommendation from L&G. In the course of doing so she consolidated some short-term unsecured debt and added fees and charges to the loan balance.

M complains that the recommendation was not suitable. It says in particular that consolidating the short term unsecured debt was inappropriate. Miss D's disposable income was reasonably healthy and she was easily meeting the small monthly repayments. By consolidating she substantially increased her long-term liabilities.

L&G did not agree. It said that Miss D had wanted payment stability over the next three years, until she no longer had to pay childcare costs. She had chosen to consolidate the loan, but she also had an overdraft that she did not consolidate. L&G said that this supported the view that she would not have consolidated the loan if she had not wanted to. And it said that she could overpay on her new mortgage without penalty or limitation. So she could have reduced the debt she had consolidated rather than letting it run until the end of her mortgage term.

The adjudicator did not recommend that the complaint should be upheld. She was satisfied that consolidating the debt was suitable based on Miss D's situation. And she was satisfied that Miss D would have been reasonably aware of the effect of consolidating the debt as she had signed the mortgage record of suitability.

M does not agree with the adjudicator's conclusions and has asked for the complaint to be reviewed by an ombudsman. It says, in particular, that:

- Miss D was £10 per month worse off after remortgaging, and the debt consolidation was only necessary to fund the mis-sale of a single premium PPI policy;
- she received over £2000 at completion which she didn't appear to have asked for;
- there were lower cost mortgages available; and
- the product fees charged were not reflected in the sourcing.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I find that I have come to the same conclusions as the adjudicator and for the same reasons.

M has raised a number of issues, but I concentrate here on those that I consider to be central to the complaint. M says that the debt consolidation was only necessary to fund the mis-sale of a single premium PPI. Miss D has already received redress for the PPI, and so I have only looked at the impact of the sale of the PPI on the debt consolidation. Having reviewed all the documents, I am not persuaded by C's arguments. I find it reasonable that Miss D wanted payment stability and one manageable monthly payment until she no longer had to pay childcare costs. As well as the loan, she also had an overdraft, and was not

reducing the balance on it. So I am persuaded that the advice given achieved Miss D's aims and was suitable.

I note that M says that Miss D received over £2000 at completion which she didn't appear to have asked for. But she has had the benefit of this money. So I do not find that this changes my conclusions.

M also says that there were lower cost mortgages available, and that the product fees charged were not reflected in the sourcing. Again, I do not find that this changes my conclusions. While there may have been other lower cost mortgages available, this does not of itself make the advice given unsuitable. And I am satisfied that Miss D was informed of the product fees payable in the mortgage offer.

As I have not found that L&G made an error, I do not require it to do anything further.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss D to accept or reject my decision before 3 July 2015.

Alison Cribbs
ombudsman