

## **complaint**

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

Mr and Mrs G feel they weren't given good advice. They're particularly concerned about the suitability of the adviser's recommendation to consolidate unsecured debt.

Mr and Mrs G are represented by a third party I'll call 'R'.

## **background**

On the advice of L&G's adviser Mr and Mrs G remortgaged and took out a new mortgage that included an extra amount to allow them to clear an outstanding credit card debt of around £2,400.

L&G said this was fully discussed with Mr and Mrs G. Notes made at the time showed that they'd been paying around £688 each month for their existing mortgage (this included regular overpayments on their mortgage to pay it off more quickly). And they'd been paying around £120 per month towards their credit card debt. Mr and Mrs G had some surplus income each month, but said this all got spent. Their existing lender didn't have any deals that were of interest to Mr and Mrs G. But they were keen to take advantage of a mortgage deal that ended before Mr G expected to retire and gave them more spare cash each month – mainly so that they could make mortgage overpayments.

The interest rate Mr and Mrs G were paying on their credit card was 6.9%. The interest rate on the mortgage deal recommended by L&G was significantly less than this.

Our adjudicator didn't recommend upholding the complaint. She felt the mortgage and debt consolidation advice L&G gave Mr and Mrs G was suitable. In summary, she said:

- the new mortgage allowed Mr and Mrs G to make unlimited overpayments (as long as the whole mortgage balance wasn't cleared in the first three years)
- it was for a shorter term that tied in with their future plans
- the new monthly payment was around £513 a month which reduced the total amount they'd been paying previously towards their mortgage and credit card by around £54
- Mr and Mrs G's payment record showed they were keen to make overpayments and the new mortgage recommended by L&G gave them more flexibility to do this
- the mortgage paperwork shows the cost of adding the credit card to the mortgage and Mr and Mrs G signed to show that they read and agreed with what was written down at the time
- although the debt consolidation could potentially cost Mr and Mrs G more over the full mortgage term, their plan to make overpayments on the account offset some of this cost
- consolidating credit card debt into their new mortgage was appropriate in these circumstances as it met Mr and Mrs G's aims of reducing their monthly outgoings

over a shorter mortgage term *and* being able to make overpayments to further reduce the overall term of their mortgage.

On behalf of Mr and Mrs G, R disagrees. It's R's view that:

- the cost of remortgaging to reduce the credit card interest wasn't justified
- card repayments would've been affordable alongside the new mortgage
- although there appeared to be a benefit in reducing their mortgage term, Mr and Mrs G were on course to achieve this regardless.

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. I agree with the adjudicator for the same reasons.

### **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 and Mrs G to accept or reject my decision before 11 April 2016.

Susan Webb  
**ombudsman**