

complaint

Mr J and Mrs K complain that they had to pay unexpected legal fees of £252 relating to completion of their mortgage with HSBC. They want these fees refunded.

background

In February 2012 Mr J and Mrs K applied for a mortgage with HSBC. A key facts document was issued to them, which said that no fees were payable to HSBC for the mortgage. They subsequently had a meeting with a bank mortgage advisor, who says that she explained that the bank would be using separate legal representation and that there would be additional costs involved - although she could not say what these would be at that stage.

A mortgage offer was issued to Mr J and Mrs K on 8 March 2012, and again said that no mortgage fees were payable to HSBC.

Mr J and Mrs K say that they were not told about the £252 fees payable to the bank's solicitors until early July 2012, when the property purchase was completed.

The adjudicator did not recommend that the complaint should be upheld. He concluded, in summary, that HSBC could have been clearer in its paperwork that while there were no mortgage fees there would be legal costs payable. However, he considered that it was not reasonable to expect the bank to include the amount of those costs if they were not known at the time.

Mr J and Mrs K do not accept the adjudicator's conclusions. They say, in summary, that HSBC has not met its responsibility to treat customers fairly, and they also question why the bank needed separate legal representation.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Both the key facts document and offer letter say that no fees are payable to HSBC for the mortgage, but both do say that other taxes or costs may be payable. I agree with the adjudicator that the wording could be clearer in saying that mortgage fees are different from legal and other costs, but do not consider the document to be unreasonably misleading.

The mortgage advisor seen by Mr J and Mrs K says that she specifically talked through the potential legal costs with them, although she could not be exact about what those costs might be. I am satisfied that this was sufficient for Mr J and Mrs K to have been aware that these costs would be payable in due course. It was not possible for the bank to be more transparent about these costs at that stage because it did not know exactly how much they would be.

I am therefore not persuaded that HSBC has treated the complainants unfairly, and I also consider that it is for the bank to use its commercial judgement in deciding whether it wishes to use its own solicitors when providing a mortgage.

In passing, I also note that £60 of the legal costs charged by the bank's solicitors were for registration fees that would otherwise have had to be charged by Mr J and Mrs K's own solicitors.

my final decision

My final decision is that I do not uphold this complaint.

Malcolm Rogers
ombudsman