

complaint

Mr M and Miss L are unhappy with the service they received from London and Country Mortgages Ltd ("L&C") when they applied for a mortgage.

background

In November 2018 Mr M and Miss L applied for a mortgage through L&C, a mortgage broker. The application was accepted by the lender and a formal mortgage offer was issued. But then L&C was told on 13 February 2019 that the application had been cancelled due to issues with the property.

On 28 February 2019 an application was submitted to a different lender for a new property Mr M and Miss L wanted to purchase. Mr M and Miss L instructed their own detailed inspection, and a basic mortgage valuation was carried out for the lender.

The lender said, once it had reviewed the valuation report, that it wanted an Arboricultural Report. L&C notified Mr M and Miss L of this on 15 March.

On 2 April Mr M and Miss L emailed a copy of the Arboricultural Report to the adviser they'd been dealing with. Unfortunately, the adviser had left the company and L&C hadn't updated his voicemail or put an 'out of office' auto-response on his email.

Mr M and Miss L say they chased the adviser by email on 8 and 11 April, and left voicemails on 8 and 9 April.

They say that as they hadn't heard anything at nearly 5pm on 11 April that they tried calling the adviser again, and then called the number listed on his voicemail message. It was then they were told he'd left the company.

Mr M and Miss L emailed the report over to the person they spoke to - another adviser - and he immediately uploaded that to the lender.

On 17 April the lender told L&C it needed a further report. Mr M and Miss L were notified by the lender that there was movement on their application, but not what it was. So they emailed the new adviser to find out. As they'd heard nothing back by 23 April they emailed the case manager (who undertakes admin tasks, rather than gives advice) to find out what was happening. They then spoke to the new adviser who told them about the further report being needed.

Unhappy with that Mr M and Miss L made a complaint to L&C, withdrew their application and said they'd approach a different mortgage broker to try to get the purchase completed.

Mr M and Miss L say because of the month-long delay the seller relisted the property. They later told our investigator that the seller was a landlord and he'd accepted their offer, but made it known he wanted more money. They said, due to the delays the seller relisted the property and accepted an offer from another party.

L&C acknowledged the service had fallen short of what it would expect and apologised for that. It also offered £200 compensation to try to resolve things.

Our investigator thought L&C's offer was fair. Mr M and Miss L didn't agree and so it's been passed to me to decide.

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'm aware my summary of the background above doesn't include every contact between the parties. I confirm I've read everything provided by Mr M and Miss L. They've made detailed submissions in support of their complaint. I've taken note of everything they've said, but I won't be responding to each and every point, or in as much detail. No discourtesy is intended by this; it simply reflects the informal nature of our service and my role in it.

Whilst I acknowledge how frustrating it is when a business makes mistakes, mistakes do happen. Buying a house is a stressful time and it's understandable to want it to go as smoothly as possible. L&C has accepted it let Mr M and Miss L down here and has apologised for that.

Having looked at everything, and kept in mind the regulatory requirements and normal industry practice, I'm not persuaded (as I must be if I'm to uphold this complaint) that this application was unreasonably and significantly delayed.

It's not a matter of just looking at two dates, we have to think about which days were working days (rather than weekends and/or bank holidays).

The first delay on this complaint was between 15 March and 2 April, and this wasn't a delay by L&C. L&C told Mr M and Miss L on 15 March that an Arboricultural Report was needed, and Mr M and Miss L emailed the report to the adviser (not knowing he'd left) on 2 April. So that takes account of twelve working days.

The other two delays were due to L&C and those were:

- from 2 April (when the report was emailed to the adviser that had left) to 11 April (when the report was received by the new adviser, and submitted to the lender); a period of seven working days
- from 17 April (when the lender asked for the further report) to 23 April (when L&C told Mr M and Miss L the report was needed); a period of two working days as there was Easter weekend in that period.

So adding this all together only nine working days of delay can be attributed to L&C. And even that is debatable as, for example, Mr M and Miss L emailed the report to the original adviser after 4pm on 2 April, so even if he was still working for L&C he might not have picked it up until the following day.

Mr M and Miss L have said the seller put the property back on the market and accepted an offer from another party. It's not clear what happened with that as in November 2019 the property was back (or still) on the market at the same purchase price.

Having considered everything I'm satisfied there were no significant delays by L&C that, on balance, I can say directly and solely caused Mr M and Miss L to lose the property. For that reason I don't uphold the main thrust of the complaint.

That said, L&C admitted there were some customer service failings and it apologised for those. It's not our role to fine or punish a business and our awards aren't punitive. Clearly no amount of compensation can change what happened; all I can do is consider the impact of a business's actions on the consumer. I also look at the awards of compensation we've made in other similar cases. Having done so I'm satisfied that £200 compensation is fair, and I make no additional award in respect of interest on that sum that Mr M and Miss L requested.

my final decision

I don't uphold this complaint, in the sense I consider London and Country Mortgages Ltd made a fair offer. I leave it to Mr M and Miss L to decide if – on reflection – they now wish to accept that offer directly with the business.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss L to accept or reject my decision before 18 April 2020.

Julia Meadows
ombudsman