

complaint

Mr D and Mrs M complain that Ulster Bank Ltd have failed to add Mrs M to Mr D's mortgage loan.

background

Mr D and Mrs M applied for a joint mortgage with Ulster in 2013. They say that they were told they could borrow less if the application was joint. On that basis Mr D took out the mortgage in his own name.

Mr D complained to this service about the accuracy of the information they were given. Before that complaint was concluded Ulster wrote to Mr D in 2014 upholding it. Ulster paid Mr D £500 and issued a mortgage offer in both his and Mrs M's name. It also agreed to cover the legal costs involved.

Mr D and Mrs M thought that she had been added to the mortgage until they received a mortgage statement in Mr D's sole name. They found out that Ulster had sent a mortgage offer that had never reached them. It re-sent the offer and Mr D and Mrs M signed and returned the offer acceptance form to the solicitors instructed by Ulster.

In the meantime Mrs M had complained about the delay in adding her to the mortgage. Ulster replied upholding the complaint and offered Mrs M £100 as an apology. Due to administrative fees deducted from that amount only £94 was transferred to Mrs M's account. But Ulster says that it has now paid her the remaining £6 too.

Mr D and Mrs M complained to this service because she has still not been added to the mortgage. Ulster says that it never received the signed acceptance form. As the mortgage offer has now expired it says that Mr D and Mrs M will have to make a new application.

The adjudicator upheld the complaint and said that Mr D and Mrs M shouldn't have to make a new application. Ulster disagreed and said that a new application was the only option. But it offered to pay Mr D and Mrs M £300 to cover the inconvenience of the application process. It also undertook to use the existing information it had for them in order to make the process more "streamlined".

Mr D and Mrs M rejected this offer and asked for an ombudsman to make a final decision.

my findings

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

Ulster has already accepted that it made certain errors during Mr D's and Mrs M's original mortgage application. I think its offer of redress to Mr D in 2014 was entirely fair but it remains unfulfilled because Mrs M hasn't been added to the mortgage yet.

I accept that Mr D and Mrs M signed and returned the offer acceptance form for the new mortgage before the offer expired. I also accept that Ulster didn't receive that and couldn't have added Mrs M to the mortgage without it. But looking at the bigger picture, the whole chain of events in this case is a direct result of Ulster's initial errors during Mr D's and

Mrs M's original application. If those errors hadn't been made she would have been added to the mortgage from the start.

For these reasons, I think that it's Ulster's responsibility to find the fairest way to add Mrs M to the mortgage. I don't think asking Mr D and Mrs M to make yet another application achieves that goal. The fairest solution is for Mr D and Mrs M to provide Ulster with evidence showing that their circumstances are the same or no worse than when the joint mortgage offer was issued to them. Once that has been done Ulster should reinstate the joint mortgage offer and allow Mr D and Mrs M a reasonable amount of time to accept that offer. All legal costs associated with adding Mrs M to the mortgage should continue to be paid for by Ulster.

Ulster's offer of £300 compensation was for the inconvenience of having to make a new application. But I think that amount should still be paid to Mr D and Mrs M for the delay in reaching a resolution in this case caused by Ulster's insistence on a new application.

As an aside, Ulster has suggested that Mr D's and Mrs M's dissatisfaction about having to make a new application is a new complaint. I disagree. It clearly stems from the overall complaint that Mrs M hasn't yet been added to the mortgage. It was also part of Ulster's offer to Mr D and Mrs M. And so I am satisfied that it has been correctly treated as being within the remit of this case.

my final decision

For the reasons given, my final decision is that I uphold this complaint. I direct Ulster Bank Ltd to:

- Reinstatement the joint mortgage offer issued to Mr D and Mrs M in 2014 on the condition that Mr D and Mrs M first provide evidence that their circumstances have not changed since that offer;
- Allow Mr D and Mrs M a reasonable amount of time to accept that offer;
- Continue to pay for all legal costs associated with setting up that mortgage;
- Pay Mr D and Mrs M a joint amount of £300 for trouble and upset.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr D and Mrs M to accept or reject my decision before 5 November 2015.

Sim Ozen
ombudsman