

### **complaint**

Mrs and Mr H complain that Debt Free Direct Limited referred them to a fee-charging mortgage broker. They say they should have been told to go straight to a retail lender, to avoid a broker fee.

### **our initial conclusions**

Our adjudicator did not uphold the complaint. He did not think Debt Free Direct was in a position to compare mortgage products. He felt it had given Mrs and Mr H suitable advice by referring them to a specialist mortgage broker. Mrs and Mr H did not agree.

### **my final decision**

I have considered what Mrs and Mr H and Debt Free Direct have said and provided, to decide what is fair and reasonable in the circumstances. Having done so, I do not uphold this complaint.

Mrs and Mr H approached Debt Free Direct for advice on their financial difficulties. It discussed their options and recommended they remortgage. Debt Free Direct therefore offered debt advice to Mrs and Mr H and they did ultimately follow that advice and remortgage successfully.

Whilst Mrs and Mr H feel they should not have been referred to a specialist mortgage broker, I don't think Debt Free Direct did anything wrong here. Debt Free Direct was not a mortgage broker and I think it acted appropriately by referring Mrs and Mr H to a specialist in that field. Debt Free Direct was not in a position to know which mortgages were available to Mrs and Mr H, or which one they might go on to take out (if any). The specialist broker was responsible for disclosing its own fees to Mrs and Mr H. And Mrs and Mr H were free to decide whether to use that broker's services and pay the fee. Mrs and Mr H could have approached other lenders directly themselves, if they wanted to avoid paying any broker fees. Under the circumstances I don't see any reasonable grounds under which I could require Debt Free Direct to pay the broker fee to Mrs and Mr H.

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

**Under the rules of the Financial Ombudsman Service, I am required to ask Mrs and Mr H either to accept or reject my decision before 19 August 2013.**

**Dawn Griffiths**

*ombudsman at the Financial Ombudsman Service*

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

#### **ombudsman notes**

#### **what is a final decision?**

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

#### **what happens next?**

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.