

complaint

Mr S and Miss M's complaint is about the service they received from London and Country Mortgages Ltd (LCM) when it helped them arrange their re-mortgage. They are unhappy that it didn't make it clear that if they wanted to alter their application they had to contact it. This meant that when they did try to change the term, it didn't go through and they had to amend it after the mortgage had completed.

background

In April 2016 Mr S and Miss M consulted LCM about applying for a re-mortgage on their home. They wanted the re-mortgage to go through in June of that year and wanted as short a term as possible to allow, with additional overpayments, to pay the mortgage off after five years. It's clear from the documents and the available telephone conversation from the time that they were considering a mortgage term between seven and nine years.

Mr S and Miss M were given illustrations for mortgages over terms of seven and nine years. However, during the conversation in which the application was completed, the cost of terms of eight and nine years were discussed. Mr S confirmed that they wanted a nine-year term. The adviser said that if, before they completed, they wanted to change the term, they could. He didn't provide any details of how to do this, but his previous letter had asked that Mr S and Miss M let him know if their mortgage requirements had changed.

The application was accepted by the lender and the relevant paperwork sent to Mr S and Miss M. By this point it appears that Mr S and Miss M had decided that they wanted the mortgage over eight years, rather than nine. They have said that they tried to call the lender's solicitors, but didn't receive any response. So when they returned the mortgage offer to the lender's solicitor, accepting the offer of borrowing over a term of nine years, they attached a covering letter explaining that they wanted the mortgage over eight years. This letter wasn't actioned and the mortgage was advanced over a term of nine years.

Mr S and Miss M have confirmed that they didn't go back to LCM to have the term altered. They say that they didn't know that they needed to do it that way.

Following the mortgage completing in July 2016, Mr S and Miss M asked their lender to change the term. It did so, but they had to pay an administration charge. The term alteration happened in August 2016.

my findings

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

I have sympathy with Mr S and Miss M over their frustrations about the mortgage process. However, they did not tell LCM that they wanted to change the term of their mortgage. It can't be held responsible for things that happened when it wasn't involved and knew nothing about them.

LCM has said that it could have made it clearer in the telephone call between Mr S and its adviser that they should come back to it if they wanted to change the mortgage. I also have to consider the correspondence it sent Mr M and Miss S. In its recommendation letter LCM said:

Please also let me know if your mortgage requirement changes as we will need to send you a revised mortgage illustration reflecting those changes. This must happen before we can submit your application so if you make late changes (and do not tell me) your application could be delayed.

I think that this made it clear that if Mr S and Miss M wanted to change their mortgage application they should contact LCM. They didn't do so. I haven't seen anything that makes me think that the service that LCM provided Mr S and Miss M fell short of what it should have.

my final decision

My final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Miss M to accept or reject my decision before 19 June 2017.

Derry Baxter
ombudsman