

## **complaint**

Mr M is dissatisfied with mortgage advice he received from First Complete Limited.

## **background**

Mr M re-mortgaged his house following advice from an appointed representative of First Complete.

Through a claims management company he made the following complaints to First Complete about the advice:

1. he was advised to arrange a debt consolidation mortgage. Full details of his existing liabilities were not obtained and therefore a full assessment of the implications of consolidation could not be conducted. A mortgage record of suitability was not produced so he did not have a record;
2. he was not advised of the implications of consolidating previously unsecured loans against his property;
3. he was not provided with a key facts illustration (KFI) which detailed the loan amount without the inclusion of the debt consolidation;
4. at the time he was not struggling with his loan commitments and had no requirement to consolidate his outstanding liabilities.

First Complete replied to these complaints as follows:

1. the paperwork completed by the adviser at the time of sale showed that details were completed in respect of Mr M's debts. The sales records completed by the adviser included a summary of mortgage recommendation produced for Mr M;
2. First Complete set out the section of the summary of mortgage recommendation dealing with consolidating existing liabilities. The advice given met the requirements of Mortgage Conduct of Business (MCOB) rules at 4.7.6 R;
3. the sales records also include a key facts illustration detailing the loan without the debt consolidation. The summary of mortgage recommendation (SOMR) and KFI were forwarded to Mr M by post;
4. Mr M could afford his existing credit card arrangements. His initial priority was not to consolidate these debts but to remortgage and raise additional money for home improvements. The initial application was declined, the lender stipulating that Mr M would need to repay all credit cards and then they would reconsider. A further application was made inclusive of the credit card debt but this was declined too. An application was then submitted to a different lender and succeeded. The indication was that Mr M would not have been able to borrow extra money whilst the credit card debts were outstanding.

Mr M then complained to this service. The adjudicator did not recommend that the complaint be upheld.

The complaint related to debt consolidation advice, and First Complete's file showed that debt consolidation was discussed numerous times and the risks were fully explained. Mr M was advised that the long-term cost would be greater and two key facts illustrations were provided one with the debt consolidation, one without. Mr M reiterated that he wanted to consolidate debt in order to assist him in raising money for the home improvements.

The adjudicator did not believe that the advice Mr M received was unsuitable. There was substantial documentation to show he was aware of the risks of debt consolidation and wanted to proceed.

Mr M's claims management company did not agree. The adjudicator had given no justification why he had not upheld the complaint. Mr M should have been provided with a separate key facts illustration to detail the mortgage without the loans being consolidated so that he could make an informed decision. This was clearly not provided. The adjudicator had disregarded this.

### **my findings**

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

Dealing with the complaints in the same order:

1. I have looked at the fact find document. It sets out Mr M's expenditure, outgoings, and liabilities in the conventional manner. Mr M's claims management company has not said exactly what is alleged to be missing and I cannot see that anything is obviously missing. The recommendation also seems to me to be comprehensive.
2. I have read the summary of mortgage recommendation which was sent to Mr M. It contains the advice which he claims was not given.
3. First Complete's mortgage recommendation included:

*I have illustrated the comparative costs by presenting you with two Key Facts Illustrations, one with your debts consolidated into your mortgage loan and one without your debts added.*

I have read the two illustrations, which are indeed for different loan amounts.

4. The complaint does not actually address First Complete's explanation set out above, which was given in a letter to Mr M's claims management company before the complaint. Therefore, I have no reason to disbelieve the explanation.

In relation to Mr M's response to the adjudicator's recommendation, having read the separate key facts illustration and the letter enclosing it, I cannot agree that it was clearly not provided.

Taking all these points into consideration, I consider that First Complete complied with MCOB 4.7.6 R and I agree with the adjudicator that the claims put forward have not been evidenced and that the complaint cannot succeed.

**my final decision**

My decision is that I do not uphold this complaint.

Edward Callaghan  
**ombudsman**