

The complaint

Miss M's complaint is about the failure of an appointed representative of Mortgage Advisory Bureau Limited (MAB) to submit a mortgage application on her behalf. This meant that she had to seek advice from another mortgage broker and ended up with a less advantageous interest rate product. Miss M has said she nearly lost the property she wanted to buy because of the delays MAB caused and had to pay additional rent, along with suffering stress and worry.

In settlement of the complaint Miss M said she is looking for a clear adjustment to the appointed representative's services and communication with clients, to ensure the same thing does not happen to anyone else. She also wants to be compensated for her losses and the emotional distressed she was forced to endure.

What happened

In 2022 Miss M wanted to purchase a shared ownership property with a housing association. In order to do so, the housing association required an affordability assessment to be completed. MAB's appointed representative was the business the housing association directed Miss M to for the assessment. This determined, on 25 August 2022, that Miss M had passed the affordability check. It was documented in the records from that interview that she already had a mortgage adviser. She was asked to provide some documentation for the purposes of the housing association process.

Despite having told MAB that she already had a mortgage adviser, she booked in to speak to MAB's adviser on 26 August 2022. Miss M cancelled the appointment shortly before it was meant to happen and rebooked for 31 August 2022.

On 2 September 2022 MAB recommended a mortgage with lender T. A decision in principle (DIP) was produced. Details of the proposed mortgage, the DIP document and an illustration for the mortgage were emailed to Miss M that day. The email also confirmed that MAB needed her to start uploading her documents to the portal so that it could complete the housing association sign off. Miss M accepted MAB's mortgage recommendation.

On 7 September 2022 MAB emailed Miss M and told her that it had updated the portal with a list of documents the mortgage lender required. In addition, it said that it needed her and the person gifting most of the deposit (the gifter) to complete an online identification process. An email regarding the gifter was to be sent separately. It was emphasised that it was important that the documents were provided quickly. Miss M was told to upload the documents, not email them. Miss M was also asked to pay the broker fee, which she did.

Miss M provided documents and on 9 September 2022 MAB reviewed the information and asked her some further questions and for some additional documents. As Miss M had difficulty uploading the additional documentation to the portal, she was told on 13 September 2022 that she could email documents to MAB. Some documents were provided over the next days, but not all. MAB emailed Miss M on 20 September 2022 asking for further bank statements and information about the gifter, so that it could send that person a link for their identification to be verified. Miss M provided the gifter information immediately and the

additional documents on 23 September 2022. The gifter emailed the same day, but Miss M subsequently told MAB that its email had not arrived, and it sent another on 26 September 2022. The last requirement for the identification process for the gifter was completed on the afternoon of 27 September 2022.

On 29 September 2022 MAB emailed Miss M to acknowledge receipt of the uploaded documents. It confirmed that it was preparing the file for submission to the housing association, but it needed Miss M to complete the application form – a link was provided. It confirmed this was needed to submit the application to the lender. This was chased the following day with the link provided again, and Miss M completed the form that day. Unfortunately, by this point lender T had withdrawn all its two- and five-year interest rate products for shared ownership mortgages, so MAB looked for an alternative mortgage for Miss M. The only affordable one it could find was with a different lender, but needed Miss M to take a five year fixed rate, rather than a two year one, which she had previously confirmed she wanted.

Miss M didn't accept the alternative recommendation and the broker fee she had paid was refunded to her on 30 September 2022. She also complained about the fact that the mortgage hadn't been applied for, given the time that had passed from the point the DIP was issued.

Miss M asked us to consider her complaint in mid-April 2023, having not received a response from MAB. MAB responded to the complaint in an email of 27 April 2023. It said that it had not been able to submit the mortgage application until all the information it needed had been received, and the information regarding the person gifting part of the deposit had not been provided until late in the process. By the time it had been, and MAB had checked everything, lender T was no longer offering shared ownership products and so it had looked into an alternative. When Miss M had not been happy with the proposed mortgage, MAB had refunded the broker fee to her. MAB didn't uphold the complaint.

Miss M confirmed she was not satisfied with the response and wanted us to continue to review the complaint. Miss M also stated that she had repeatedly been asked for the same information and that she responded to each request in a timely manner.

One of our Investigators considered the complaint, but she didn't recommend that it be upheld. She wasn't persuaded the evidence showed that MAB made mistakes during the application process, and so didn't consider it needed to do anything to compensate Miss M.

Miss M didn't accept the Investigator's view. She reiterated many of her previous comments and provided more emails and documents. She asked that the complaint be referred to an Ombudsman. Before that happened, our Investigator responded to some of Miss M's points, but overall, what had been said didn't change the Investigator's conclusions. Miss M reiterated her request for an Ombudsman to review the complaint.

What I've decided – and why

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

While this does not alter the outcome of the complaint, I will comment on something Miss M has said in her more recent submissions, as it will give some context. She has commented that had she gone with a different broker, her mortgage application would have been submitted earlier and run alongside the shared ownership process. That may be the case, but given how mortgage applications are processed, it would not have made a difference to the situation. A broker will either submit an application and then obtain the information and

documentation the lender wants to consider it, or obtain the information and then submit the application with everything the lender needs. In both situations the lender will not decide whether to grant the mortgage or not, until all of the information needed has been presented to it. It is the latter point in the process that is the important one. As such, I couldn't conclude MAB's process was inappropriate or caused delays.

I would also comment that once the information required is available to the lender, the decision will not be immediate, especially at particularly busy times – it is quite normal for it to take a week to ten days for a decision to be made and, if the application is accepted, for the offer to be issued. It is only at the point the offer is issued that the mortgage and interest rate product are secured for the borrower.

Miss M has also said that she was repeatedly asked for the same documentation, implying that MAB had the information needed to submit the application before it did. I have read the correspondence and, while I note that she did highlight to MAB that she had already provided one of the documents when asked for it, that is the only document she raised this issue with during the process. So I am not persuaded MAB made mistakes in this regard that delayed the application. As our Investigator explained, when the earlier information provided was reviewed, it highlighted that further information was needed. That is not unusual during a mortgage application, and I can't find that MAB made mistakes in this regard. Nor do I consider the timescales for MAB to review the information Miss M provided, and for the application process to proceed, were unreasonable.

It is unfortunate that in the week that Miss M's mortgage application could have been submitted and considered by the lender, the effect of the September 2022 mini budget had kicked in. This led to a lot of uncertainty in the mortgage market and led to many lenders withdrawing interest rate products. Lender T was one of those lenders. MAB could not have anticipated this happening or prevented it from affecting Miss M's application.

Once Miss M confirmed she did not want to progress with the alternative mortgage recommended to her, MAB refunded its broker fee. This was entirely appropriate, as the fee was payable for the service where an application was made. However, Miss M is not due any further redress as I haven't found that MAB did anything wrong in how it handled her application.

My final decision

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Miss M to accept or reject my decision before 7 February 2024.

Derry Baxter
Ombudsman