

The complaint

Mr and Mrs M complain that more 2 life Ltd made a mistake with the expiry date of their lifetime mortgage offer, and this resulted in the mortgage not completing in time.

What happened

In August 2022, through an independent financial adviser (IFA), Mr and Mrs M applied to more 2 life for a lifetime mortgage. They wanted to borrow £90,000. More 2 life issued a mortgage offer on 31 August 2022, for a lump sum of £90,000 at a fixed interest rate of 4.78%. It was valid for 42 days.

Mr and Mrs M accepted the offer, and both they and more 2 life instructed solicitors. By 11 October, conveyancing work was ongoing and the mortgage hadn't completed, so more 2 life extended the offer. It says it did so for 30 days from the original offer expiry date, to 11 November 2022, and it was unable to extend the offer's validity any further.

However, on 11 October more 2 life emailed the solicitors who were acting for it and told them that it had extended the offer until 11 December 2022. The solicitors then relayed that new expiry date to Mr and Mrs M's solicitors.

Both sets of solicitors continued with the conveyancing and legal work, and a completion date was set for 18 November 2022. On 14 November, more 2 life's solicitors sent more 2 life the documents needed for completion. On 15 November, more 2 life said Mr and Mrs M's offer had expired and the mortgage product had been withdrawn. It said the mortgage couldn't go ahead and Mr and Mrs M would need to re-apply.

Mr and Mrs M's IFA complained to more 2 life on their behalf. They said that both solicitors had been working to an offer expiry date of 11 December, which was the deadline more 2 life had given them, and more 2 life's mistake with the date was the reason the mortgage didn't complete in time.

As a result, Mr and Mrs M could no longer borrow £90,000 at a rate of 4.78%. The best option open to them at the time, in November 2022, was borrowing of less than £80,000 at a rate of almost 8%. They didn't want to go ahead on that basis and asked more 2 life to honour the original offer.

More 2 life accepted it had made a mistake with the extended offer expiry date. But it said the mortgage could never have completed by the correct expiry date of 11 November, because its solicitors didn't have all the documents they needed at that stage, and in any event it couldn't now get funding for the original offer. It apologised, and offered Mr and Mrs M £250 by way of compensation.

Mr and Mrs M didn't accept that and, through their IFA, they referred the complaint to us. They also said that more 2 life's mistake was having a significant impact on them and their financial planning.

Our Investigator made enquiries of both sets of solicitors, as well as of more 2 life and Mr and Mrs M's IFA. He concluded that the mortgage could reasonably have completed in time if both solicitors had been working to the correct deadline. More 2 life's mistake meant that the solicitors had understood they had a month longer than they in fact did.

The Investigator recommended that more 2 life reinstate its original offer, and allow Mr and Mrs M the same amount of time as before to complete on the mortgage. He also said it should refund the payments Mr and Mrs M had had to make to their existing mortgage in the meantime, plus interest on them, refund any additional conveyancing fees they would be charged, and pay Mr and Mrs M £500 compensation.

More 2 life didn't accept that conclusion. It said that while it had made a mistake with the offer expiry date in one email, all parties knew the correct expiry date was 11 November. In any event, it said its solicitors didn't receive a redemption statement in the right format in time, and they wouldn't have proceeded without one. It didn't consider itself responsible for the mortgage not completing.

More 2 life also said it could no longer secure funding at the 4.78% rate on the original offer, and that product may no longer be suitable for Mr and Mrs M. It agreed to pay Mr and Mrs M £500, but said that reinstating the original offer is neither appropriate nor achievable.

Mr and Mrs M weren't prepared to accept more 2 life's £500 offer, but they did accept the Investigator's findings.

My provisional decision

I reviewed this complaint and reached a slightly different conclusion to our Investigator about how it should fairly be resolved, so I issued a provisional decision. I said:

There's no dispute that more 2 life made a mistake with the expiry date of Mr and Mrs M's mortgage offer. It told the solicitors who were acting for it in this transaction that the offer had been extended to 11 December 2022, instead of 11 November 2022. Its solicitors then relayed that information to the solicitors acting for Mr and Mrs M.

More 2 life has said that all parties knew the correct, November, expiry date. But almost all of the available evidence doesn't reflect that, and more 2 life's position is at odds with what both the solicitors acting for it and the solicitors acting for Mr and Mrs M have said. Both sets of solicitors have been clear that, from 11 October onwards when more 2 life extended the offer, they were working to the deadline of 11 December which more 2 life had given them.

The solicitors acting for Mr and Mrs M did refer to an offer expiry date of 11 November in one email of the same date. This, though, doesn't tie in with any of the other email correspondence between the parties, including emails sent in November chasing completion on the planned date of 18 November. I've also seen an earlier email from Mr and Mrs M's solicitors to more 2 life's solicitors on 3 November, asking for a completion date for week beginning 21 November – this doesn't reflect an expectation on the solicitors' part that the offer was set to expire before then, on 11 November. I must consider all of the evidence, and the 11 November email on its own doesn't persuade me that Mr and Mrs M's solicitors knew about and were working towards an 11 November deadline.

More 2 life has also said that its solicitors didn't have a redemption statement addressed to them by the correct offer expiry date of 11 November – and so Mr and Mrs M's mortgage could never have completed in time.

I agree with more 2 life about the redemption statement. Its solicitors required a redemption statement from Mr and Mrs M's existing lender addressed to them, the solicitors, in order that they could redeem the existing mortgage on completion. The solicitors were clear from the outset that that was their process.

However, I think the key point here is that the conveyancing for Mr and Mrs M's mortgage was done on the basis of a deadline of 11 December 2022 – a deadline which more 2 life had provided. So I've looked very carefully at the chronology of events in this case, including the timelines provided by both sets of solicitors, in order to determine whether Mr and Mrs M's mortgage could reasonably have completed in time but for more 2 life's mistake with the offer expiry date.

I note that the two sets of solicitors planned to be ready for a completion date of 18 November. They had everything in place for that, and this was only a week after the actual offer expiry date of 11 November. I don't consider that there were significant or unreasonable delays in the conveyancing process. However, I think certain parts of the process could have been carried out more quickly had the parties known about the correct offer expiry date. For example, Mr and Mrs M's solicitors saw Mr and Mrs M on 19 October and received the necessary signed documents from them on 31 October. I see no reason why Mr and Mrs M might not have been able to sign and return documents more quickly had they and their solicitors known about the correct completion deadline of 11 November instead of 11 December.

There was also, as our Investigator pointed out, a process which the solicitors acting for more 2 life used in very exceptional circumstances under which they could proceed with a mortgage without a redemption statement in the usual format.

In the circumstances, I think it most likely that both sets of solicitors and Mr and Mrs M would and could have acted more quickly, had more 2 life provided the correct offer expiry date of 11 November. They would have known the deadline was a month earlier and that the mortgage offer would no longer be valid if the mortgage didn't complete in time. Both sets of solicitors would have had the relevant information to enable them to progress and prioritise Mr and Mrs M's case as necessary. As things stood, they were all working towards a completion date of 18 November, in what they understood to be good time for the 11 December deadline.

More 2 life made what was a small typographical error – but that error had far-reaching consequences for Mr and Mrs M, and I find that more 2 life is responsible for putting things right.

I'm broadly in agreement with our Investigator about how more 2 life should resolve this complaint, other than that I don't consider I can fairly require it to refund the mortgage payments Mr and Mrs M have made to their existing mortgage since November 2022. This is because no interest has been charged on their more 2 life mortgage as a result of this mortgage not going ahead – and they won't have to pay interest, rolled up over the term of the lifetime mortgage, for the past year. I therefore don't propose to make any order or award in this respect.

More 2 life has said that the mortgage product it offered to Mr and Mrs M is no longer available, and it can't now secure funding at the 4.78% fixed rate in Mr and Mrs M's expired mortgage offer. More 2 life is the lender in this matter, so if Mr and Mrs M accept my final decision and if that is the same as this provisional decision it will need to make the necessary arrangements in order to implement my award.

That may involve more 2 life obtaining funding at today's rates but instead of passing that rate on to Mr and Mrs M, making up the difference itself so that Mr and Mrs M are only charged interest at 4.78%, even if it costs more 2 life more than that to provide the mortgage to them. But this is a matter for more 2 life to resolve – ultimately it is responsible for finding a way to put Mr and Mrs M back in the position they would have been in but for its mistake.

In settlement of this complaint, I intend to require more 2 life Ltd to:

- issue a mortgage offer to Mr and Mrs M on the same terms as the offer dated 31 August 2022, for a lump sum of £90,000 at a fixed interest rate of 4.78%, valid for 42 days in order to give Mr and Mrs M time to complete, with the option of a further 30-day extension should that be necessary;
- refund any additional conveyancing fees Mr and Mrs M are required to pay as a result of the conveyancing work needing to be re-done; and
- pay Mr and Mrs M £500 compensation. I consider this a fair and reasonable award in recognition of the impact of this matter on Mr and Mrs M. They are both in poor health and have found the matter upsetting and stressful, and have had to struggle to keep up with the payments to their existing lender.

Responses to my provisional decision

Mr and Mrs M didn't say whether or not they accepted my provisional decision, but they had nothing more to add.

More 2 life said it had little to add but asked me to reconsider, and it repeated some of its earlier arguments.

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.

Having done so, I've come to the same conclusion I reached in my provisional decision for the same reasons. I've carefully considered more 2 life's further comments, but it hasn't added anything new and I find no basis on which to take a different view about what it should do to resolve this complaint.

Putting things right

To settle this complaint, more 2 life Ltd must:

- issue a mortgage offer to Mr and Mrs M on the same terms as the offer dated 31 August 2022, for a lump sum of £90,000 at a fixed interest rate of 4.78%, valid for 42 days in order to give Mr and Mrs M time to complete, with the option of a further 30-day extension should that be necessary;
- refund any additional conveyancing fees Mr and Mrs M are required to pay as a result of the conveyancing work needing to be re-done; and
- pay Mr and Mrs M £500 compensation.

My final decision

My final decision is that I uphold this complaint, and I require more 2 life Ltd to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 5 December 2023.

Janet Millington
Ombudsman