

The complaint

Ms G complains that she received unprofessional mortgage advice from a broker at Independent Mortgage Store Limited (“IMSL”). Ms G said the broker didn’t discuss options with her, and wrongly pressured her to withdraw her offer, which Ms G now greatly regrets.

What happened

Ms G said she spoke to a broker at IMSL, who gave her conflicting and untruthful information, concealed mortgage products and services from her, and when her offer on a property was accepted, pressured her to withdraw from the purchase. Ms G said she then lost the property she was bidding on, and this had all caused her an immense amount of anxiety and stress. She wanted financial compensation.

IMSL didn’t deny that its broker told Ms G to withdraw from the purchase. But it said he did this because Ms G couldn’t afford the property, and he was worried she would be legally bound to buy something she couldn’t afford. IMSL sent our service its broker’s calculations, which showed a shortfall of over £13,000. It said Ms G had no way to make up this shortfall, and so IMSL said it didn’t think Ms G was in a position to go ahead with the purchase.

Ms G has complained that other options for raising the money should have been discussed. She said the broker refused to discuss whether she had time to sell her own property, telling her that was a matter for an estate agent, and didn’t also look at residential or consumer buy to let mortgages for her. She felt that the broker didn’t have her best interests at heart, and wanted our service to look into this.

Our investigator didn’t think this complaint should be upheld. She noted that, unfortunately, the calls Ms G had with IMSL weren’t recorded. She said she’d looked at the evidence which was available to our service. She said IMSL had identified a shortfall for Ms G’s purchase, and there was no dispute that Ms G didn’t have a way to find this money. Ms G thought IMSL should have discussed more options around raising the money, but our investigator said she didn’t think it was unreasonable for IMSL to suggest Ms G withdraw. She said the purchase was time sensitive, and the options Ms G has since identified weren’t guaranteed. Our investigator noted that Ms G could have ended up legally obliged to purchase the property, without the money to do so.

Our investigator couldn’t see that IMSL benefitted from Ms G withdrawing her offer. Our investigator thought it was most likely that IMSL had provided appropriate advice to Ms G when it suggested she should withdraw, because it wasn’t affordable for her to go ahead. Our investigator also noted that ultimately this was Ms G’s decision.

Ms G strongly disagreed. She said she wouldn’t pay as much tax as IMSL thought, as she’d never had a mortgage before. Then she wrote again, to say she would only be counted as a first time buyer for mortgage purposes, not for tax purposes (so she would have paid the tax that IMSL had calculated). But she thought she could have covered the purchase of this house by remortgaging her current property. She also thought that she couldn’t accidentally have been liable to buy the property, and would have needed proof of funds from a bank

before she could do that. Ms G also said that the purchase wasn't time sensitive, because she had seven days to complete it or it would have automatically defaulted to the next purchaser.

Ms G also complained about the tone IMSL's broker took when advising her. And she said her broker's advice on whether the property was likely to be mortgageable had been contradicted by the estate agent selling the property. She thought the advice from IMSL was deliberately misleading.

Ms G wanted her complaint to be considered by an ombudsman, so it was passed to me for a final decision.

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.

I've reached the same overall conclusion on this complaint as our investigator.

I understand that Ms G feels strongly that she was pressured into withdrawing from this purchase by the broker at IMSL. However, even if I agreed with Ms G that the advice she received wasn't appropriate, I would still have said that ultimately the decision to withdraw from this purchase, before she took other advice on possible mortgage options, was Ms G's own decision. I don't think IMSL is responsible for that.

But I should also stress here that I haven't been able to see Ms G was misadvised by the broker at IMSL. She appears to have had a shortfall in the funds needed to purchase this property, as well as no funds yet identified for the work that seems likely to have been necessary to the property she was interested in buying. Additionally, ISML identified that it would be difficult to find a lender for Ms G's own residence, because of the property type, and it would be difficult to find a lender for the property she was purchasing, because of its internal configuration.

Although Ms G says she doesn't think she could have become obliged to purchase by accident, it seems likely that she would start to accrue legal costs once she'd instructed a solicitor to start the discussions for this purchase. Ms G said she had only a week to conclude the purchase, before the seller moved on to the next bidder.

I do think the hurdles that ISML had identified would have made it difficult to go ahead with the purchase Ms G wanted to make. And I think it would have been very difficult indeed to get over the hurdles that IMSL had identified within the time that Ms G told us she had available.

Ms G also said she felt her broker was rude and unprofessional. I do think IMSL's advice appears to have been quite direct, perhaps even blunt, at some points. But I don't think that alone means this complaint should be upheld. And, considering the issues I've highlighted above, I don't think it was unreasonable or unfair for IMSL to suggest that Ms G withdraw from the purchase. I should also note that I haven't seen anything to suggest to me that IMSL benefitted from saying this to Ms G.

I understand that Ms G now greatly regrets acting on the advice she received. But I don't think that it's IMSL's fault she did so, and ultimately, I haven't been able to see that it was unfair or unreasonable for IMSL to give this advice. So, although I understand Ms G will be disappointed, I don't think her complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 25 January 2024.

Esther Absalom-Gough
Ombudsman