

The complaint

Mr P, with the assistance of his representative, complains that Aviva Life & Pensions UK Limited failed to progress his application for a Lifetime mortgage as it should have and he's lost out as a result.

What happened

This complaint has been brought by Mr P with the assistance of his representative, but for ease of reference, I'll refer only to Mr P throughout, even if my statements relate to comments made by his representative.

Mr P applied for a Lifetime mortgage with Aviva and accepted an offer of 4.38%. This rate was guaranteed for 14 weeks and within this time, the mortgage needed to be completed with all relevant conveyancing done to allow the registration of the charge and release of the funds. The deadline for completion was 26 September 2022.

The mortgage was not completed within the 14 weeks timeframe and an extension of 3 weeks was granted. This took the deadline for completion to 19 October 2022. The mortgage was not completed by this date and the original offer made by Aviva was withdrawn, a new rate of 6.10% was offered for the mortgage in place of the previous rate.

A complaint was made at the start of October 2022. Mr P felt the actions of Aviva's solicitor resulted in the mortgage completion being delayed. He feels that but for these actions, the mortgage would have completed in time. To put things right he asked that the interest rate from the original offer be honoured.

Aviva looked at Mr P's complaint and accepted there had been some delays. But it wasn't satisfied the delays of its solicitor, acting for it with the mortgage completion, were the cause of the mortgage not completing sooner. It felt in total, it would be fair to say it added three weeks of delays to the complaint. To recognise where it thought things could have been better, it offered to make a payment of £250 for the distress and inconvenience. It didn't agree to honour the original interest rate offered.

Mr P disagreed with the rationale provided by Aviva and provided information which they felt demonstrated its solicitor had contradicted itself at points when it said information hadn't been received. And they questioned the service level agreements and expectations Aviva had with it to provide information to their customers. Aviva reviewed this but said its opinion remained unchanged and it provided a timeline of events to support why it still felt it was only fair to say any delays added by its solicitor amounted to three weeks.

On reviewing the information provided by Aviva, Mr P felt the time taken to complete the transaction was based on roughly a 50% split with both sides taking time to complete the actions required. But he highlighted to this Service communication and points in time when he felt Aviva asked for information that it previously confirmed it had and at times, requested changes to wording that contradicted previous changes requested.

Mr P believes if Aviva's solicitor hadn't made these mistakes, the mortgage would have

completed by the extended deadline and they are unsure why it didn't.

Our investigator looked at this complaint and said he felt the offer made by Aviva was fair and reasonable, in line with what this Service would expect. He didn't think it was fair to say the actions of Aviva and its solicitor were the reason for the mortgage not completing on time. And so he didn't think it was fair to ask it to honour the previous rate.

Mr P disagreed. He still felt the information requested by Aviva was not needed and added delays because of errors and contradiction. He felt he had provided everything he needed for the application to be progressed and when it didn't complete, this was because of Aviva.

Our investigator's opinion remained unchanged and Mr P asked that the complaint be referred 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 decided not to uphold this complaint. I know this will be disappointing for Mr P, but I'll explain why I think Aviva's offer to put things right is fair.

There is no dispute there has been delays with Mr P's mortgage and the steps to get this to completion. Both Mr P and Aviva accept there was a regular exchange of communication from both sides' solicitors with regards to this transaction. Mr P believes Aviva's solicitor failed to recognise it had received information previously requested and made requests for this again which were not needed and caused delays which resulted in the mortgage not being completed in time.

The crux of this complaint is, even after the extension was provided, did Aviva and the firm acting for it with the transaction, fail to recognise it had everything it needed to complete the mortgage.

I've reviewed the correspondence logs provided to show what was requested and when. Having done so, I agree there is some information requested by Aviva's solicitor that appears to be repetitive and contradictory to previous requests and direction on what needed to be done. Specifically it asked that a reference number be updated a number of times to reflect a small amendment each time. This was in effect adding and then removing the same previous amendment. However, I am not satisfied this was the only thing outstanding. So while I think this could have been avoided, I am not persuaded the mortgage offer expiring could have been.

On 15 September 2022, Aviva asked for more information to be provided in a format that would be accepted by the land registry and it asked that an undertaking for the previous mortgage to be paid was updated with the relevant information needed as asked for previously. This was chased a number of times and on 22 September Aviva's solicitor said the following:

"Please note we cannot accept your response. As previously stated, we require an undertaking in the same form as the template provided to you in our email of 1 September 2022. If you wish for the undertaking to refer to a specific amount, please ensure that it matches the amount confirmed by the lender. We also require confirmation from the private lender which confirms the full redemption amount and the validity date."

Aviva's solicitor made this request a number of times up until and including 19 October 2022. At this point there were still concerns that the undertaking provided was not in the format needed. Confirmation was also being sort for the reference number to be amended as Aviva's solicitor continued to contradict its previous request for this to be changed. But I don't think this had any bearing on the undertaking and the format of this.

Mr P has questioned why some information was requested by Aviva and whether it was really needed. I understand the frustration he has with this and what was asked of him, but ultimately, Aviva as the lender will ask for information it needs to satisfy its lending criteria. So I cannot say it was acting unreasonably when asking for the information it did.

There was a tremendous amount of back and forth between the two solicitors dealing with this transaction. From this and what was requested and still outstanding at the point of the extended deadline expiring, I cannot say that I am persuaded that Aviva and its solicitor are at fault for the deadline being missed. It follows that it would not be fair and reasonable to ask Aviva to extend the offer of its earlier interest rate.

This situation has clearly been distressing for Mr P as he understandably wanted to take the Lifetime mortgage at the rate it was initially offered for. And as Aviva did add delays which could have been avoided, it added to the distress of this situation.

Aviva has previously offered £250 to Mr P to reflect the distress he experienced and I think this is fair with the amount being in line with the awards this Service would make. I know his family have also likely experienced distress with this situation and inconvenience but they are not the customer or potential customer of Aviva and as such, I would not expect it to consider this.

Taking everything into account, I see no reason to ask Aviva to do anything else with this complaint.

My final decision

For the reasons I've explained above, I don't uphold Mr P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 November 2023.

Thomas Brissenden
Ombudsman