

The complaint

Mr and Mrs K complain that the lifetime mortgage they have with Legal & General Home Finance Limited (L&G) was mis-sold to them.

What happened

Mr and Mrs K took a lifetime mortgage with L&G in 2018. This mortgage was arranged for them by a broker who I'll refer to as R. R also provided advice on the suitability of the mortgage. R was unconnected to L&G.

Mr and Mrs K have raised a number of complaints about this mortgage with both L&G and R. This particular complaint concerns the suitability of the mortgage. Mr and Mrs K says the mortgage wasn't suitable and that L&G should be responsible for the advice given by R. They also say that L&G didn't tell them that R wasn't independent.

L&G responded to this complaint. It said it wasn't party to the advice process so couldn't say whether the advice was suitable or not. But this was the responsibility of R. And it explained that it was for R to have told them whether it was independent or not.

Unhappy with this response, Mr and Mrs K referred the complaint to our Service where one of our Investigators looked into it. He said that L&G wasn't responsible for the sale of the mortgage.

Mr and Mrs K didn't accept this. They asked for the complaint to be passed to an Ombudsman. So, it's now with me to review and make 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.

Mr and Mrs K have raised a number of complaints that our Service has already considered. These involve the actions of R, and other connected businesses. I want to make clear that this complaint is purely about whether L&G mis-sold this mortgage. So, I won't be commenting on the other complaints, or the actions of other businesses.

I understand that Mr and Mrs K are very unhappy with their lifetime mortgage for a number of reasons. And they feel that L&G bears responsibility here. They are clearly very invested in this complaint and feel strongly about the matter.

I'm sorry that my decision is going to disappoint them. But, like our Investigator, I'm satisfied L&G hasn't done anything wrong here.

The lifetime mortgage was arranged by and on the advice of R, a business that is independent of L&G. It was therefore R that was responsible for making sure Mr and Mrs K understood the mortgage they were taking, and that it was suitable for them. L&G is simply the mortgage provider in this situation.

I understand Mr and Mrs K believe that L&G bears responsibility here, but this isn't correct. R wasn't acting as an agent of L&G or arranging this mortgage on behalf of L&G as Mr and Mrs K think. R was acting on behalf of Mr and Mrs K in arranging this mortgage. And it is R that is therefore responsible for the advice and the suitability of this mortgage.

Mr and Mrs K have also said that L&G didn't tell them that R wasn't independent. I don't know if R was independent or not. But it was for R to set out whether it was independent or not and inform Mr and Mrs K of this, not L&G.

Ultimately, L&G didn't provide Mr and Mrs K with advice, so it's not responsible for the suitability of their mortgage. It follows that I don't think L&G mis-sold this mortgage to Mr and Mrs K.

My final decision

I don't uphold this complaint.

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

Rob Deadman
Ombudsman