

## The complaint

Mr and Mrs B have complained that, because of delays they say were caused by more 2 life Ltd (M2L) in setting up an equity release mortgage, the mortgage offer at a rate of interest of 4.31% expired. A new offer was issued at an interest rate of 6.54%, which Mr and Mrs B accepted and completed on. However, they say that the length of time the transaction took was solely down to the actions of M2L and its solicitors. As a result, Mr and Mrs B would like M2L to reinstate their original mortgage offer of 4.31%.

## What happened

I do not need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr and Mrs B being identified. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

Briefly, in the summer of 2022, after taking advice from their own independent financial adviser, Mr and Mrs B applied for an equity release mortgage with M2L, secured on their home. At the time the property was owned by Mr and Mrs B and a third party, Mr R. Some of the funds Mr and Mrs B were borrowing were to buy out Mr R's interest in the property. It was necessary for Mr and Mrs B and Mr R each to have separate legal representation, with Mr and Mrs B instructing a firm I will call K, and M2L also instructed its own solicitors, a firm I will call E.

I will not set out the entire timeline of events, as M2L, E and K have provided their own, with that of K appearing to contradict what M2L and E have said. A mortgage offer was issued on 11 July 2022, valid for 42 days, for an initial advance of £260,000, and a remaining cash facility of £117,685 at an interest rate of 4.31%. The mortgage offer also contained various ad hoc special conditions relating specifically to the property.

On 2 August 2022 K requested an increase in the initial advance to £277,685, leaving a future drawdown facility of £100,000. M2L issued another mortgage offer on 3 August 2022 and stated that it was valid for 19 days from 3 August 2022 (so until 22 August 2022). The mortgage hadn't completed by 22 August 2022, so, exercising its discretion, M2L extended the offer until 3 October 2022.

The mortgage didn't complete by 3 October 2022, so on that date M2L issued a new mortgage offer. However, by that time, interest rates had increased and the rate on the new offer was 6.54%. The mortgage completed on 10 November 2022.

Mr and Mrs B complained. They said that the length of time taken to complete the transaction was caused entirely by the incompetence of E, which had asked repeatedly for documentation that wasn't necessary or that it already had. M2L didn't uphold the complaint so Mr and Mrs B raised it with our service.

An investigator looked at what had happened, but didn't think the delay could be attributed to M2L or E. He was satisfied that K hadn't properly completed a Land Registry form, RX3, that was required to remove a restriction on the property title. In addition, special conditions in the mortgage offer were not complied with by K until after the original mortgage offer had expired.

Mr and Mrs B asked for an ombudsman to review the investigator's findings. They provided a timeline from K, whose position was that they didn't consider the RX3 to be necessary and that they considered the information E was requesting wasn't necessary or had already been provided.

### **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 reached the same conclusion as the investigator, for broadly the same reasons.

I've read the timelines provided by M2L, E and K. It is clear from all of these that the transaction was not, and could never have been, ready for completion before the mortgage offer expired on 3 October 2022. I'm satisfied that this is not due to any error on the part of M2L or E.

Because the title to the property had previously been in the joint names of Mr and Mrs B and Mr R as tenants in common, there was a restriction on the title relating to this. It was necessary for this restriction to be removed, and RX3 was the form needed by HM Land Registry in order to do this. It was K's responsibility to provide this form, completed with K's details, and signed by K, as conveyancer for Mr and Mrs B. The form is quite clear that it is the solicitors for the applicant (that is K, acting for Mr and Mrs B) who must complete this form with their details, and that K must sign it.

There are four RX3 forms that K had sent to E. Three of them are either unsigned or incorrectly completed with E's details. In K's timeline, K said "[E] *did not feel that the Form RX3 was signed but sent the Form on the 13<sup>th</sup> of October 2022 signed*". However, it is actually a matter of fact, not feeling, that the RX3 wasn't signed by K, as required. I've looked at the various RX3 forms submitted to E by K and it was only the one sent on 13 October 2022 that was correctly completed in K's name and signed by K.

I'm also satisfied, from looking at the timeline provided by K on behalf of Mr and Mrs B, that K hadn't complied with all the special conditions in the mortgage offer by 3 October 2022. In the circumstances, I can't hold M2L responsible for completion not taking place before the original mortgage offer expired.

By the time the new mortgage offer was issued, interest rates had increased, largely due to the mini-budget that had taken place on 23 September 2022, which caused turmoil in the financial markets. That's something outside the control of M2L, but it had an impact on mortgage interest rates, not just for M2L but across the entire mortgage market.

I fully understand why Mr and Mrs B feel aggrieved that they had to complete their mortgage on a higher interest rate than they'd wanted. However, I'm unable to find that M2L is at fault for the length of time it took to complete the mortgage. This means that there is no basis on

which it would be fair or reasonable for me to order M2L to honour the interest rate in the original mortgage offer.

### **My final decision**

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 31 January 2024.

Jan O'Leary  
**Ombudsman**