

The complaint

Mr M complains that Fleet Mortgages Ltd unfairly declined his application to re-mortgage his buy to let property.

What happened

Mr M took out a buy to let mortgage with Fleet in 2016. He made a re-mortgage application in early 2023. Fleet declined. It said this was due to concerns about how the possible development of adjacent land, also owned by Mr M, could affect the value of the security property.

He says this was unfair. He says there was planning consents in place for the adjacent land in 2016. He offered a solicitor's undertaking not to develop the land until the mortgage was repaid. He says his intention when making a new planning application was to increase the value of the land and ultimately sell it together with the security property.

Mr M says while his application was with Fleet interest rates increased. He says he also incurred costs related to the application. Mr M says he already has a mortgage with Fleet, so can't see how its risk would be changed by the re-mortgage.

Our investigator said Fleet explained why it declined the application. Our investigator said it applied its lending criteria and didn't cause unreasonable delays.

Mr M didn't agree and asked that an ombudsman re-consider the complaint.

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 M started the re-mortgage application to Fleet, via a broker, in early February 2023. The property valuation was carried out later in February 2023. The valuation was as expected and the property was deemed suitable security.

In March 2023 Fleet was told about a planning application made in February 2023 to develop land adjacent to the security property. This land was also owned by Mr M. Fleet said the proposed work could potentially affect the letting and value of the security property and there were no guarantees the work wouldn't be carried out.

Fleet said while there were planning consents in place in 2016, it saw little risk of building works commencing due to circumstances at that time. It said the new planning application, which was for a different type of development, suggested work would go ahead.

Mr M says the new planning application is intended to increase the value of the land and he has no intention of building on the plot or selling it separately from the security property. I can understand Mr M's frustration. But I can also understand the concerns raised by Fleet. It explained why it declined the application to Mr M and his broker and re-considered when they appealed. I appreciate that Mr M doesn't agree. But ultimately Fleet is entitled to make

a lending decision based on its criteria and risk appetite. I can't fairly require Fleet to offer a new mortgage to Mr M.

Mr M paid an application fee and valuation fee. Both were non-refundable and this was clearly stated in the key facts illustration. He also incurred legal fees. I appreciate that Mr M expected the re-mortgage to proceed when he paid these fees. But I think he'd reasonably have known this wasn't guaranteed.

Fleet carried out work processing the application and the valuation was carried out. I don't think it's fair and reasonable to require Fleet to refund these fees.

Mr M says he missed out on lower interest rates while the application was with Fleet. I don't think there were any undue delays in Fleet assessing the application. It told Mr M the application was declined promptly after being told about the new planning application.

I don't think it's fair and reasonable in the circumstances to require Fleet to pay compensation to Mr M or take further steps regarding this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 7 February 2024.

Ruth Stevenson
Ombudsman