

## **The complaint**

Mr D and Miss W complain that Bank of Scotland plc trading as Halifax would only agree to lend them a lower amount than they were initially led to expect. They consider that its advertised policy is unclear.

## **What happened**

Mr D and Miss W received mortgage advice from a mortgage broker, who is representing them in this complaint. Their broker said to clarify its policy on income it would accept he checked Halifax's website and directly with Halifax before submitting a mortgage application. But when Halifax looked at the application it was only prepared to lend a lower amount that he had been led to expect.

Mr D and Miss W complain that the intermediary website is unclear and that Halifax did not explain the policy correctly when their broker checked. They said if Halifax had explained things properly their broker could have advised them to go with a different lender, who could have lent them the amount they needed. They said they had to borrow from family to make up the difference.

The investigator did not think that the complaint should be upheld.

Mr D and Miss W's representative did not accept what the investigator said. He made a number of points, including:

- The investigator was too quick to accuse the broker of submitting the application when he knew it did not fit Halifax's lending policy – although the investigator later admitted that was wrong.
- The investigator had initially looked at the wrong part of the website.
- It would have been better for the website to say that it would consider income "net of umbrella deductions".
- Halifax gave incorrect information during a live chat, albeit after the application had been submitted. That illustrates that the criteria is confusing.
- The final response said the broker could call to check information.
- It is true that the majority of the complaint is "business to business" but the core customer complaint remains.
- The criteria is a regulated advert to bring in business. It is not clear so attracts business that does not truly fit criteria and that caused customer detriment. The customer should be compensated for that.

## **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 can only look at a complaint from Mr D and Miss W. A lot of this complaint is from their broker and the difficulties he believed he faced in giving mortgage advice because he believes the information Halifax gives to brokers is unclear. That is really a matter for the broker to take up with Halifax. It is inappropriate for the broker as a regulated financial business to use the ombudsman service and a customer's complaint to deal with their own grievances against Halifax.

In saying that, Mr D and Miss W have a complaint. That is they were lent less than they initially led to expect. I understand that must have caused a lot of disappointment and stress in making up the shortfall. But I can't see there has been any error by Halifax. It never issued a formal mortgage offer for the initial amount and I am satisfied it has applied its lending criteria fairly and reasonably. I don't agree that the way Halifax assessed their income was inconsistent with the information on its intermediary website. And I don't agree that there would be any need to spell out that deductions would not be included in the income calculation.

The webchat was after the application was submitted. So I don't consider that was the source of any detriment to Mr D and Miss W. And that really is a matter from the broker to take up directly with Halifax.

## **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Miss W to accept or reject my decision before 12 April 2024.

Ken Rose  
**Ombudsman**