

## **The complaint**

Mrs and Mr G complain that Legal & General Home Finance Limited caused unreasonable delays with their Lifetime Mortgage completion and they've lost out as a result.

## **What happened**

The details of this complaint are well known to both sides with there having been lengthy exchanges in writing over what has happened previously, so I wont repeat this here. But in summary, Mrs and Mr G feel there has been a number of unreasonable delays added by Legal & General with both the application process and completion process.

A mortgage offer was issued on 12 October 2022 with an interest rate of 5.47% and this was valid until 1 December 2022. Legal & General provided a small extension on this offer until 7 December 2022 but its solicitor was not satisfied with all responses received by this point and the offer was withdrawn. The primary reason for this was due to concerns over an existing charge/caution on Mrs and Mr G's property relating to a previous mortgage with Lender A.

Mrs and Mr G needed to reapply for their mortgage but due to the time that had passed, the interest rate on the new offer was higher than the previous one with this now being 6.64%. They think Legal & General should have accepted confirmation from their solicitor that Lender A was in the process of removing the previous caution and this was only declined because of increasing interest rates and Legal & General looking to increase the interest rate on Mrs and Mr G's mortgage.

Our investigator looked at this complaint and said he didn't think Legal & General or its solicitor had added delays to the process and he believed it was more likely there was delays caused from Mrs and Mr G's side. They had needed to change their solicitor during the process which he felt added some delay. But he initially thought Legal & General hadn't acted fairly as despite delays in the process, had it accepted the information provided in relation to the existing caution with Lender A, he thought the mortgage would have completed in time. Legal & General disagreed and explained why it felt it was the responsibility of Mrs and Mr G's solicitor to have made sure this was removed and evidenced ahead of the mortgage completion date. It highlighted the mortgage offer document which stipulates Legal & General are to hold the first legal charge on the property and that it cannot complete a lifetime mortgage until it has received all documents it needs to be satisfied with the title on the property. This was set out from the start of the mortgage completion process and it felt it acted correctly when it said it couldn't accept an email from Lender A which stated the request for the charge to be removed had been made. This wasn't enough to satisfy it that the title on the property was correct and that it was happy to lend.

Our investigator reviewed the information and changed his original outcome. He had already explained that he believed delays had been caused by Mrs and Mr G in the process with their solicitor. But he now believed Legal & General was acting fairly when it didn't accept the information provided in relation to the charge with Lender A and it wasn't fair to expect it to provide the lending when there were concerns over the charge and security it would hold.

Mrs G responded to explain why she disagreed. She didn't think the information provided was new and the investigator should have been aware of this from the start. She also felt Legal & General were failing to treat a vulnerable consumer fairly, highlighting Mr G's health conditions.

Our investigator explained that he had considered everything again and believed Lender A should have removed the caution previously. But Mrs and Mr G's solicitor should have also made sure this was removed more promptly as it was a requirement of the mortgage offer and when this wasn't confirmed before the offer expired, Legal & General had not acted unreasonably when it declined to extend the offer again.

As Mrs and Mr G disagreed with the view of our investigator, the complaint has been referred for 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 know this will be disappointing for Mrs and Mr G, but I've decided not to uphold this complaint. I'll explain why I don't think it would be fair to ask Legal & General to amend the interest rate on Mrs and Mr G's mortgage. I don't think it made an error which resulted in this not completing before the mortgage offer expired.

The questions to be determined on this complaint are whether there was a delay added by Legal & General. And did it act fairly when it declined to accept the assurance from Mrs and Mr G and Lender A about the removal of the caution.

As a starting point, I don't think it can be disputed there was a delay at the start of the mortgage completion process, but this was not the fault of Legal & General. Mrs and Mr G changed their solicitor at the start and this meant that time was lost as there was effectively no one able to provide the information on their behalf as required by the mortgage offer. And it wouldn't be fair to say that any error was made when Legal & General's solicitor sent information to the original solicitor as these were the details it had been provided with.

Equally, I've not seen anything to indicate Legal & General or its solicitor acted unreasonably or added a delay to the mortgage completion process. It appears information was not provided as needed to it and this meant its solicitor needed to re-request information and clarity after documents had been sent.

But even if a delay had been added, I think the mortgage would have completed ahead of the deadline of the mortgage offer expiring if Legal & General's solicitor accepted the assurance given over the outstanding caution on the title of the property. But I don't think it acted unfairly when it said it could not accept what was provided.

The mortgage offer explains Legal & General will secure the mortgage by way of a first legal charge on the property and it cannot be completed until it is satisfied with the title of the property.

As the lender, Legal & General is entitled to be satisfied that it is able to provide any borrowing with suitable security. And while it had been confirmed that Lender A was taking steps to remove the caution, it hadn't been ahead of the mortgage offer expiring.

This is not an unusual or unreasonable expectation and it was clearly set out within the offer document. And while I appreciate it may have been difficult for Mrs and Mr G and their

solicitor to get confirmation of this being removed, it did need to be done ahead of the mortgage being drawn down.

I understand why Mrs and Mr G may feel it would have been fair for Legal & General to extend their mortgage offer further, based on the assurance that the caution was being removed when confirmation it had already couldn't be provided. But there is no obligation on Legal & General to do this. And I cannot say it should now back date the rate to reflect what was first offered. Ultimately Mrs and Mr G were not able to provide what was needed to satisfy Legal & General with the title for their property and until this could be confirmed and it could satisfy its lending criteria, it was acting fairly when it didn't allow the mortgage to complete.

Mrs G has highlighted concerns about Legal & General not treating her and Mr G fairly based on his vulnerabilities and that she feels they are taking advantage of this. I'm not persuaded this has happened, nor do I think it declined to increase the offer to take advantage of their situation. The deadline was extended to see if the completion could be made, but this extended deadline was missed. And as I feel the main cause of any delay was not the responsibility of Legal & General, I don't think it would be fair and reasonable to expect it to increase the offer beyond the point it did.

I don't think it has treated Mrs G and Mr G differently to anyone else and as I've said earlier, what was required to be evidenced on their property title was not unusual or unreasonable. It follows that when this couldn't be evidenced as having been completed, I don't think Legal & General acted unfairly when it said it wasn't able to complete the mortgage sooner.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G and Mr G to accept or reject my decision before 15 January 2024.

Thomas Brissenden  
**Ombudsman**