

## **The complaint**

Mr B complains that Target Servicing Limited delayed the redemption process for his Help to Buy loan and he's lost out as a result.

## **What happened**

Mr B contacted Target in February 2022 to enquire about what he needed to do to allow him to make a partial, or full redemption on his Help to Buy loan which it administers. Target emailed Mr B on 26 February and explained what it needed Mr B to provide, so it could produce the redemption statement. Mr B needed to return a completed form it attached, provide a recent valuation for the property, produced by a RICS qualified surveyor and pay an administration fee.

Mr B arranged for a valuation on his property to be completed and this was done at the end of March 2022.

Mr B said he made a number of attempts to speak with Target on the phone about the next steps and what was needed but had been unsuccessful in reaching anyone. And his solicitor experienced delays in trying to speak with Target too and understand what the next steps were for the redemption to be completed.

Target has no record of any communication from Mr B after he responded on 27 February 2022 asking for a copy of the solicitor form which it had provided a link to in its email on 26 February. Mr B next contacted Target on 16 August 2022 and Target responded on 19 August explaining what steps needed to be taken for it to provide the redemption statement.

The administration fee was paid on 24 August 2022 but Mr B experienced delays in Target responding to him after this point and he and his solicitor needed to chase at different points. A redemption statement was produced on 11 October and Mr B was able to complete the redemption before his mortgage offer from his new lender expired.

Mr B complained about the delays he experienced with Target and the impact this had on him. He said he's previous mortgage moved to a tracker rate in July 2022 and he was paying £600 a month more for his mortgage as a result of this. He feels the delays in Target and it responding to him meant he wasn't able to complete his mortgage transfer before the existing rate moved to the tracker. So he has paid more than he would have until the new mortgage completed on 10 November 2022.

Our investigator looked at this complaint and felt Target needed to do something to put things right. She felt Mr B would have been able to complete his mortgage redemption by the end of June 2022 if Target had responded to his chasers and request for information. So he would have been able to avoid moving on to the tracker rate and paying the higher rate of interest while on this. She also thought the delay in Target responding to Mr B meant he needed to pay for a second valuation after the first one expired before Target had responded to Mr B. So she felt it was fair that Target cover the cost of the increased interest rate Mr B needed to pay between July and November 2022 and refund Mr B what he paid for the second valuation fee. She also recommended that Target pay Mr B £600 for the distress and

inconvenience experienced with the worry he had over whether the mortgage would have completed before his existing offer expired adding a great deal of stress.

Mr B accepted the investigators outcome but Target did not. Target provided evidence of its contact notes to show Mr B had not been in touch with it after his initial enquiry until August 2022. When Mr B did get back in contact with it, the application was progressed correctly. It didn't think it had added an unreasonable delay to the completion process and Mr B was able to complete his mortgage before his new offer expired.

Our investigator let Mr B know why Target disagreed with the assessment. He explained he was unable to evidence any earlier chasing of Target as he'd changed solicitors during the re-mortgage process after not hearing back from the previous one.

Because Target disagreed with the outcome, the complaint was referred for decision.

I issued a provisional on this complaint on 13 November 2023 and asked Mr B and Target to provide any comments on what I planned to say in my final decision by 11 December 2023. My provisional decision is copied below:

*I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*I know Mr B will be disappointed with my decision, but I'm not planning on upholding his complaint. I'll explain why I'm not persuaded it is fair and reasonable to ask Target to compensate Mr B as recommended by our investigator.*

*Target did not provide the borrowing for Mr B's loan, but it is the administrator of the loan. It is responsible for how the loan is dealt with, administering the arrangement and collection of payments, including the redemption payments.*

*A large focus of our investigators assessment was on Target failing to respond to chasers made by Mr B and his solicitor, prior to August 2022 and the impact this had on the mortgage process. While I don't dispute that Mr B believes his solicitor was chasing Target for an update, there is no evidence of any contact from it or Mr B directly between 26 February and 16 August 2022. Mr B has said he changed solicitors because of concerns with the original solicitor – he hasn't expanded on what these concerns were – but this, together with the lack of contact notes or calls means I am not persuaded Target was chased by Mr B prior to August 2022.*

*I also need to consider whether Target had been provided with everything it needed to progress with the redemption statement before August. Although Mr B had the valuation on his property completed in March, there is no evidence of this being forwarded on to Target and it needed this, together with the solicitor form and administration fee paying before it would be able to provide a redemption statement. As the administration fee was not paid until August 2022, I think it is unreasonable to say Target could have produced the redemption statement sooner.*

*When Mr B did speak with Target in August, there was some delay between the initial re-enquiry and Target producing the redemption statement. On 11 October 2022 Mr B had a phone call with Target and the delay in communication across September was acknowledged and they let him know they'd be doing their best to prioritise his application and have it worked quicker than the normal SLA's.*

*The normal timeframe for the redemption statement to be produced and then the mortgage completion to take place is around 8 weeks based on the timeframes explained by Target*

*with the different processes involved. So had there been no delays, after the administration fee was paid on 24 August 2022, by around 24 October, Mr B should have completed on his mortgage. Although even after being prioritised, the redemption and new mortgage drawdown didn't complete by this point, but I don't think Target need to do anything else.*

*Mr B, when checking with his new lender on whether a Deed of Postponement was required, identified he was able to borrow enough to fully redeem the Help to Buy loan so an amendment to the paperwork was required. This will have added some delay to the process and so I don't think strictly applying the standard time frame from when the fee was paid would be a fair expectation.*

*As I've not seen anything to show that Mr B attempted to provide Target with the information it needed to complete the redemption statement and start this process before his first property valuation expired, I don't think it would be fair to ask Target to reimburse the cost of this.*

*Overall, I think the customer service could have been better and there was some delay between August and September but the mortgage completed within the expected timeframe for a transaction of this type and there is no detriment as a result. Mr B was provided with the information he needed in February to send to Target and it maybe he had a solicitor acting on his behalf, where he believed this was being progressed and happening. But unfortunately there doesn't appear to have been any contact until Mr B himself got in touch with Target again in August. In the absence of this, I don't think it has done anything wrong.*

*While I don't dispute this experience would have been distressing, I've not seen anything to show me that Target was the cause of this. It did its best to reassure Mr B when it spoke with him in October 2022 that it would priorities the application and make sure the deadline of his new mortgage and its expiry was met. This did complete in time and I don't think it would be right to make an award for distress and inconvenience when I don't think Target was the cause of this.*

Neither Mr B nor Target provided a response to my provisional decision and the complaint has been passed back to me for 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.

As I've received no response to my provisional decision, I see no reason to depart from the decision I've set out in the findings above. I am not persuaded that Target was the cause of the substantial delays in Mr B's redemption process. And it follows that I don't think it needs to do anything else now, for the reasons explained above.

### **My final decision**

I don't uphold Mr B's complaint.

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

Thomas Brissenden  
**Ombudsman**