

The complaint

Mr and Mrs M complain that more 2 life Ltd trading as Standard Life Home Finance caused unreasonable delays during their mortgage process.

What happened

The details and background of this complaint are well known to both Mr and Mrs M and Standard Life. With this in mind, I've purposefully not listed everything that has happened, instead, I've highlighted some key milestones in the timeline.

Mr and Mrs M, with the assistance of an adviser, applied for a Lifetime Mortgage with Standard Life in February 2022. The mortgage was to be taken on a new build property being purchased by Mr and Mrs M.

A valuation was completed for Standard Life on 8 February 2022 and questions were raised at this point by the surveyor who completed the valuation. Standard Life passed these questions on to its solicitor (company A) who were acting on its behalf. A number of questions were sent to the adviser who had completed the application and these were responded to on 17 February 2022. Company A reviewed this and it let Standard Life know that it will need to see the title documents from Mr and Mrs M's solicitor before it could confirm if the questions raised had been answered or caused an issue.

Standard Life issued its mortgage offer on 27 February 2022 and added a condition to ensure Mr and Mrs M's solicitor checked and confirmed these questions were answered together with its other special conditions.

Company A were misinformed who was representing Mr and Mrs M and didn't send the mortgage offer which included the special conditions to their solicitor (Company B) until 9 March 2022.

Mr and Mrs M hoped to complete their mortgage and move to their new home in April 2022 and moved out of their previous property at this point. The mortgage did not complete as expected and it was not until 15 July 2022 and Mr and Mrs M raised a complaint at the end of June 2022 about the actions of Standard Life. They felt it had delayed the process through failing to do what it should have. This caused considerable distress and inconvenience as expected moving days came and went. Mr and Mrs M highlighted the impact this had on their health.

Standard Life looked at the complaint and provided a timeline of events. It felt Company A had caused delays which were avoidable and this had added to the process and distress and inconvenience Mr and Mrs M had experienced. It didn't accept it had been the only reason for their mortgage completion taking longer than expected and said they felt Company B had failed to provide information, which resulted in this needing to be chased by Company A.

To recognise the impact of Company A's errors, it offered to pay £500 for distress and inconvenience. It felt this was fair as although the process had taken longer than expected, it

had continued to honour the original rate offered, so Mr and Mrs M didn't need to reapply with a higher interest rate.

Our investigator looked at this complaint and didn't think Standard Life had gone far enough. He agreed it wasn't fair and reasonable to say it was the only cause of the delay in the process as there was still information outstanding from Company B at the end of June 2022. But Company A could have reviewed what it had been sent sooner and when it didn't, it resulted in delays in the missing information being chased. He felt it was fair to ask Standard Life to cover some of the storage costs Mr and Mrs M had incurred when their belongings needed to remain in storage for longer than expected. He asked that it pay £240 towards these costs, equivalent to 3 weeks' worth of storage.

Our investigator didn't think Standard Life needed to increase its offer made for the distress and inconvenience caused. He felt what had been offered was fair to reflect the impact of Standard Life and Company A's failings. But as he didn't think it was responsible for the bulk of the delays with the mortgage, he didn't think it was right to increase this.

Standard Life accepted the recommendation. Mr and Mrs M did not. They feel the impact on their mental and physical health has been significant with considerable anxiety caused by Standard Life. They do not believe £500 for the distress and inconvenience is fair and throughout the process, Standard Life made false promises and assurances which added to the distress.

Our investigator's opinion remained unchanged and as a result, Mr and Mrs M asked that their complaint be 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 Mr and Mrs M, but I've decided to uphold this complaint in much the same way as our investigator has.

It is not disputed that Standard Life and Company A could have done things better when dealing with Mr and Mrs M's mortgage completion. In total from offer to completion, the process took almost five months and this is longer than it is reasonable to expect. Standard Life doesn't think it is responsible for all of the delays that occurred and it has highlighted that Company A was waiting on information from Company B until the end of June 2022. This was information to confirm all of the special conditions attached to the mortgage offer had been met.

I appreciate that Mr and Mrs M feel Company B who was acting on their behalf was doing all they could to ensure their transaction was progressing quickly and I don't doubt this was the case. Company B was sent a copy of the mortgage offer on 9 March 2022 and this included the details of the special conditions that needed to be met.

From the information provided, the letter exchange demonstrates that information was being provided in relation to the outstanding enquires but that the responses sent were not answering all of the questions raised. So follow up enquiries were sent to clarify final points. Company A could have responded sooner than it did to the information it was provided but when Company B did not provide everything needed from the outset, it needed to be chased. Based on this, while I think Company A took longer than it should to review information that it was provided and request what was missing, I can't say it is the only reason why the process took as long as it did to complete.

I am grateful for Mr and Mrs M sharing the details of the impact their house move had on them and their health. It is clear this was an extremely worrying time. I've needed to consider whether, based on the information presented to me, that I think Standard Life and the actions of Company A are the cause of this loss. And while I think it is clear things could have been better and mistakes were made, I am not persuaded that but for its errors, that there wouldn't have been delays or distress and inconvenience experienced. So I've needed to bear this in mind when thinking about what is a fair and reasonable award for Standard Life to make when considering the impact of its failings.

The delays in the mortgage completion caused significant upset and worry to Mr and Mrs M and this was over a period of weeks and months. Although there was information being waited on from Company B, Standard Life were not able to be clear with Mr and Mrs M on the next steps and what was needed and I think this added to the anxiety caused. Standard Life has made an award to recognise the impact of this and while I acknowledge this isn't at the level Mr and Mrs M feel is appropriate, it is inline with what I'd expect to see for a complaint of this nature and the impact described. Had I been persuaded Standard Life was responsible for all of the delays, this award would be higher, but as it stands based on my reasoning above, I am not going to ask it to increase this.

Our investigator also recommended that Standard Life pay Mr and Mrs M £240 towards the storage costs incurred as they waited to move into their new home. I think Mr and Mrs M would have likely needed to always pay for some storage based on when they moved from their old home but this was increased by the delays added with both Company A and B. There is no guarantee on timeframes when thinking about what might have happened and I accept this. So I think the recommendation made by our investigator is fair and recognises the impact Standard Life and Company A had on the timeframe and added costs.

Putting things right

If Standard Life hasn't already done so, it should pay Mr and Mrs M £500 for the distress and inconvenience caused when it added delays to their mortgage completion process.

It should pay £240 to Mr and Mrs M as a part refund of the storage costs incurred. As this is an out-of-pocket expense already paid, it should add simple interest of 8% to this payment from the date of the invoice (25 July 2022) until the date of payment. If it feels it is appropriate to do so, it may deduct tax from this interest payment at the standard rate and upon request, provide Mr and Mrs M a statement of any tax paid.

My final decision

I uphold Mr and Mrs M's complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 2 January 2024.

Thomas Brissenden
Ombudsman