DRN-4167156

## The complaint

Miss P complains that Age Partnership Limited didn't arrange a lifetime mortgage for her.

## What happened

Miss P decided to apply for a lifetime mortgage – a form of equity release – and got in touch with Age Partnership to ask it to arrange a loan for her. She'd seen advertising suggesting that Age Partnership could help with releasing funds from a property.

Miss P wanted to borrow around £10,000 – partly to give to her daughter so her daughter could repair her car, and partly to refurbish a holiday home, as well as repaying money her daughter had lent her.

Age Partnership said that it couldn't recommend a loan for Miss P, and no application was made.

Shortly afterwards Miss P received a marketing letter from Age Partnership inviting her to contact it to discuss equity release, and suggesting she might be able to borrow up to £56,000.

Miss P complained. She said she needed the funds, and she didn't think it was fair that Age Partnership wouldn't help her. And she said it didn't make sense that it had told her she couldn't borrow £10,000 but then invited her to borrow £56,000.

Age Partnership said it hadn't done anything wrong. It said Miss P had approached it looking to borrow £10,000 – with around £1,000 for repair of the car, £4,000 for the holiday home and £5,000 to repay money her daughter had lent her.

Age Partnership noted that Miss P was in receipt of state benefits and asked her to get advice on whether releasing equity would impact her benefits. It said Miss P had been advised that if she borrowed more than £6,000 her benefit income would be reduced.

Age Partnership said that Miss P told it that she hoped to pay the loan off within a year or so. It said that this wasn't usually appropriate for equity release lending. It also said that it had discussed her application with several lenders, but they weren't prepared to lend because of Miss P's circumstances. Age Partnership said that as a result it wasn't able to recommend a loan for Miss P – because it didn't think a lifetime mortgage would be suitable for her, and because in any case it was unlikely a lender would lend to her.

Age Partnership said the marketing letter was general marketing and wasn't a promise that Miss P specifically would be able to take a lifetime mortgage. It has now removed her from its mailing list so that she won't receive future marketing material.

Our investigator didn't think Miss P's complaint should be upheld, so she asked for an ombudsman to review it.

## 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.

Age Partnership isn't a lender. It's a mortgage adviser – it helps customers apply for a mortgage. But it can only do that where it's likely to be accepted by a lender, and where Age Partnership thinks a lifetime mortgage is the right thing to do.

In this case, Miss P wanted to borrow about £10,000. She told Age Partnership why she wanted the money. She also said that she was expecting to be paid compensation from a court case which she would use to repay the loan.

Miss P wasn't working. Her only income was from state benefits. Her benefits are means tested. This means that if she releases equity from her property, her benefits are likely to reduce – or even stop altogether.

If that happened, Miss P wouldn't have any income. This would cause her significant problems.

Age Partnership discussed her case with several lenders. But the lenders weren't willing to lend to Miss P. Equity release isn't designed to be a short term solution. And the lenders were concerned that Miss P wouldn't be able to afford to look after the property and keep it in good repair.

Age Partnership is subject to strict rules as a mortgage adviser. It can only recommend a mortgage if it thinks that the mortgage is suitable for Miss P – that it's the right thing for her particular circumstances.

Because taking a mortgage would mean she lost her income, and because paying it back over the short term would make it very expensive, Age Partnership didn't think a mortgage was right for Miss P. And in any case it couldn't find a lender willing to lend to her.

I think Age Partnership acted fairly. Its job is not just to find a mortgage – it's to find a mortgage only if that's the right thing to do. It was reasonable for Age Partnership to decide that a lifetime mortgage wasn't suitable for Miss P, and to tell her that it couldn't help her.

Miss P was upset to receive a letter a few weeks later – she thought this meant Age Partnership had changed its mind and was now willing to find her a mortgage not just for £10,000 but for £56,000. But I don't think that's what the letter says. It's not specific to Miss P. It's just a standard marketing letter explaining that it can help customers arrange mortgages up to a certain limit.

The letter didn't suggest that Age Partnership had changed its mind and was now willing to find a mortgage specifically for Miss P. But I agree it wasn't appropriate to keep sending letters to Miss P after it had already decided it couldn't help her. Age Partnership apologised for that and has now removed Miss P from its marketing list so she won't get similar letters in the future. I think that's fair.

## My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 10 January 2024.

Simon Pugh
**Ombudsman**