

## **The complaint**

Mr and Mrs F complain that more 2 life Ltd or its solicitors caused delay in processing their application for a lifetime mortgage. This meant that their mortgage offer expired and when more 2 life issued a new offer it was at a higher interest rate. Mr and Mrs F complain this means their mortgage will be more expensive over its term.

## **What happened**

Mr and Mrs F applied, via a broker, for a lifetime mortgage with more 2 life. They first made their application in December 2021.

A valuation of their property was carried out on 20 December. Mr and Mrs F's property is relatively unusual – it's grade two listed, includes a right of way over the land for the benefit of neighbouring properties, and includes a utility pole within the boundary. As a result more 2 life had some queries. Following satisfactory resolution of the queries, it issued a mortgage offer on 11 January. It offered an initial loan of £100,000 with a drawdown facility of £60,000, at an interest rate of 2.78%. The offer was valid for 42 days, and also included a special condition – more 2 life required Mr and Mrs F's solicitors to confirm that their buildings insurer was aware that the property was listed and that it provided full insurance on standard terms.

Mr and Mrs F say they decided not to proceed with the loan while they explored other options. Later that year, they decided to go ahead after all and asked their mortgage adviser to re-apply to more 2 life.

more 2 life issued a new mortgage offer. It did so relying on the December 2021 valuation, which it said was valid for six months – but this meant that the new mortgage offer expired on 20 June 2022. The new offer was for the same amount, but this time at an interest rate of 3.58%. The offer included the same standard condition.

Mr and Mrs F's solicitors sent more 2 life's solicitors the completed loan documentation on 9 June – more 2 life's solicitors checked and noted that Mr and Mrs F's solicitors had not included the required information to show the special condition was satisfied.

Mr and Mrs F's solicitors gave more 2 life's solicitors some evidence about the insurance on 14 June. But more 2 life solicitors said that it wasn't sufficient, because it didn't confirm that the insurers were aware that the property was listed. It was only on 17 June that the full information required was received from Mr and Mrs F's solicitors, and more 2 life's solicitors sent it on to more 2 life the same day. But 17 June was a Friday, and the offer expired on the following Monday, 20 June.

On 20 June Mr and Mrs F's broker called more 2 life for an update. more 2 life confirmed the special condition had now been satisfied. But by then it was too late to release the funds and so the loan did not complete that day and the offer expired.

As the valuation had now expired – because it was more than six months since it was carried out – more 2 life said a new valuation would be required. It arranged one without

charging Mr and Mrs F for it. The new valuation took place in July and more 2 life issued a new offer, for the same amount but this time at an interest rate of 4.3%.

Mr and Mrs F complained. They said the special condition had been satisfied before the offer expired and more 2 life should have released the funds, or should have agreed to an extension of the offer. It wasn't fair that it withdrew the offer and issued a new one at a higher interest rate. While Mr and Mrs F completed on this new offer, they're unhappy that it means they'll pay more interest over the life of the loan.

more 2 life said that it hadn't acted unfairly. It generally needed five days to arrange the release of the funds, but Mr and Mrs F's solicitor had only provided the necessary information to satisfy the special condition on Friday 17 June, with the offer expiring on Monday 20 June. It said that the special condition had been known about for several months and Mr and Mrs F's solicitor shouldn't have left it to the last minute to provide the required information. It said that even though it wasn't responsible for the delay it hadn't charged them for the second valuation. But it wouldn't agree to honour the 3.58% interest rate as that was no longer available.

Mr and Mrs F brought their complaint to us. They didn't think it was fair to blame their solicitors, who they had only instructed in May when they received the second offer. They said more 2 life could have warned them that it would need five days to release the funds. Or its solicitors could have requested the funds in time, pending receipt of the evidence needed to satisfy the special condition. As neither of those things happened, they lost out on the lower interest rate.

Our investigator didn't recommend upholding the complaint, so Mr and Mrs F 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.

Mr and Mrs F originally applied for their mortgage in December 2021. At the beginning of March they instructed their broker that they'd changed their minds and decided not to go ahead.

But then Mr and Mrs F decided that they did want to go ahead after all, in May. On 6 May their broker contacted more 2 life and asked for the previous application to be re-opened, and for more 2 life to issue a new offer.

It would have been open to the broker to make a fresh application at this point – I don't know why the broker chose to re-open the old application instead. It may be because doing so would be quicker, since more 2 life had already completed its underwriting checks and issued an offer previously. Starting a new application would take longer, as a new valuation and underwriting checks would be needed.

However, the downside of proceeding with the old application rather than starting again is that doing so would be dependent on the old valuation, carried out in December. Valuations are only valid for six months – lifetime mortgages are very dependent on loan to value, and so an up to date valuation is required for lending. Once a valuation is older than six months it's less reliable because there could have been changes to the property or the market in the meantime.

The valuation from the first application was carried out on 20 December 2021, which means

it would expire on 20 June 2022. This in turn meant that Mr and Mrs F's mortgage had to have completed by then, otherwise the valuation would expire and there would have to be a fresh application.

As I say, I don't know why Mr and Mrs F's broker asked more 2 life to continue with the old application rather than start a new one. It might have been to avoid paying for a new valuation; it might have been to enable more 2 life to issue an offer more quickly, so avoiding the risk that interest rates might rise; it might have been for some other reason. But once Mr and Mrs F or the broker on their behalf made that choice, it meant that there was a hard deadline for completion of 20 June – any delay beyond that would need a new valuation and a new offer based on that new valuation.

more 2 life issued the offer on 16 May and Mr and Mrs F instructed their solicitors to go ahead. The solicitors would have had a copy of the mortgage offer, so it's not clear why they didn't provide evidence to show that the special condition was met on 9 June – whether because information hadn't yet been received from the insurers, or from Mr and Mrs F, or whether it was an oversight, I don't know.

But the fact is that more 2 life's solicitors weren't in a position to advise more 2 life that all the conditions had been met and the lending could proceed until 17 June – a Friday – in the afternoon. This was the last working day before the offer expired.

more 2 life required five working days to release the funds. This is because although it's a lender, more 2 life doesn't lend its own funds. It lends funds provided by third party investors. It requests funds from the investors once it's satisfied all the conditions are met, then passes the funds on to solicitors to allow completion to go ahead. For that reason, it doesn't request funds from the funder until satisfied that all lending conditions are met.

I've not seen any evidence that more 2 life, either directly or via its solicitors, made this requirement clear to Mr and Mrs F's solicitors. Equally, however, I've not seen any evidence that the insurance information could have been provided sooner even if it had been. As I've explained, there was a hard deadline of 20 June because of the decision to re-open the old application rather than start a new one. And it was only on 17 June that Mr and Mrs F's solicitors were able to confirm that the special condition was met – by then it was too late.

I don't think it would be fair to say that more 2 life is responsible for the deadline not being met. I've explained that there are good reasons for not relying on a valuation after six months. So once the deadline had expired, a fresh valuation and a new mortgage offer – at the interest rates then available – was required. It's unfortunate that this meant that Mr and Mrs F's mortgage completed at a higher interest rate than they'd hoped for. But I don't think more 2 life acted unfairly.

### **My final decision**

For the reasons I've given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Mrs F to accept or reject my decision before 28 December 2023.

Simon Pugh  
**Ombudsman**