

## The complaint

Mr G complains that Mortgage Express failed to provide the correct advice on his mortgage when this was taken out. And he has been trapped on an interest only mortgage since as a result.

## What happened

Mr G took out a new interest only residential mortgage in 2007. The mortgage was sold by a broker (company A) and the mortgage was provided by another lender, (company B). In late 2007, the mortgage was transferred to Mortgage Express and it has continued as the mortgage provider since this date.

In 2021, Mr G complained to Mortgage Express about his mortgage. He felt he had been mis-sold the mortgage when it was first taken out. As a result, he feels he's been trapped on the standard variable rate (SVR) since his product ended in 2009 and is unhappy he's still on an interest only mortgage.

Mortgage Express looked at the complaint and said it wasn't responsible for the sale. It said company A sold the mortgage to Mr G and if he wanted to complain about this being mis-sold, he'd need to raise a complaint with it. It provided company A's details so this could be pursued if he wished to do so.

It didn't agree it had acted unfairly when applying the SVR and explained this had been done inline with the terms of the mortgage after the initial product rate expired in 2009.

Our investigator looked at Mr G's complaint and said she didn't think this service could consider all of it. She said that company A sold the mortgage but Mr G had brought his complaint about the sale of the mortgage too late for it to be considered. So even if Mortgage Express was responsible for this, it had been brought too late for us to look at.

She asked whether Mr G was unhappy about the SVR and Mr G explained that his complaint was about the mis-sale and being trapped because of the mortgage being offered to him when he believes it shouldn't have been.

Because Mr G disagreed with our investigator, the complaint has been passed to me for decision.

I issued a provisional decision on this complaint in July this year and said the following:

*I don't think this service can consider all of Mr G's complaint points and for those that we can consider, I don't think Mortgage Express has done anything wrong and I'm not planning on upholding this part of his complaint.*

*I know Mr G will be disappointed by this outcome, but I'll explain what parts of his complaint are not something we can consider and why I don't think Mortgage Express has acted unfairly.*

## What we can't consider

*I agree that Mr G's complaint about the mis-sale of his mortgage is not something this service can consider. But the reason why I don't think this service can consider it is different to that of our investigator. Before we consider whether the complaint has been brought in time, we need to be satisfied that the complaint is against the correct business, responsible for the event complained about.*

*Mortgage Express did not sell the mortgage to Mr G, so despite being the lender, it is not responsible for the advice given at the sale. This was and is the responsibility of company A. Any complaint about the sale will need to be brought against it and this is not something Mortgage Express can or would be able to respond to.*

*It appears company A is no longer trading, but Mr G can refer his concerns about the sale and claim he feels is due to the Financial Services Compensation Service (FSCS) and our investigator has provided details on how to do this within the cover letter to this decision.*

*But as Mortgage Express did not sell the mortgage to Mr G, this service cannot consider a complaint against it for this as it is not responsible for the advice.*

### **What we can consider**

*Mr G hasn't said he is unhappy with the SVR rate applied to his mortgage but has said as a result of the mortgage being mis-sold, he was trapped on an interest only mortgage and was unable to move to a different repayment product.*

*I think this service can consider this part of his complaint. What I've considered is whether Mortgage Express made it clear that Mr G had options with his mortgage and whether it treated him fairly when discussing these with him. This also links to whether I think it was made clear to Mr G that his mortgage was interest only – so was he aware his payments were not repaying the capital.*

*We've been provided the mortgage statements for some of the years Mr G has had the mortgage with Mortgage Express. I think these provided Mr G with information that would have allowed him to be aware that his mortgage was interest only and that he needed to have a plan in place to ensure that the capital could be repaid at the end of the term.*

*Together with the balance on the account remaining the same, as payments cleared only the interest, the statement contained the following wording in bold type:*

*“ This is an interest-only mortgage. Your mortgage payments do not include the costs of any savings plans or other investments you may have arranged to build up a lump sum to repay the amount you borrowed. It is important to check regularly that your savings plan or other investment is on track to repay this mortgage at the end of the term.”*

*So I think Mortgage Express did make it clear how the mortgage was operating and that Mr G needed to make sure he had a repayment plan for the capital balance. But I don't think it indicated anywhere that it was unable to offer Mr G an alternative product or change his mortgage from interest only to repayment.*

*Over the years Mr G had the mortgage, there is very little contact with Mortgage Express until he raised his complaint. And at no point have I seen that Mr G attempted to change his mortgage in anyway. He's explained in his own belief that he wouldn't have been able to change his mortgage but I don't think this is based on a conversation with Mortgage Express. So overall, I'm not persuaded it has done anything wrong when Mr G remained on the SVR after his initial product expired and I see no reason to ask Mortgage Express to do anything else.*

Mr G responded to say he disagreed with the outcome. He accepts that the mortgage was sold by company A but still has strong feelings about why the mortgage was not suitable. And he has asked questions which relate to company A and the information it had at the time of the sale. He also reiterated why he felt trapped with the mortgage and why he didn't feel he could approach Mortgage Express to find an alternative repayment product.

Mortgage Express had nothing further to add so the complaint has been passed back to me 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've reconsidered this complaint and the information provided by Mr G. Having done so, I see no reason to depart from the provisional decision set out above.

I appreciate the strength of feeling Mr G has about his mortgage and whether company A should have sold this to him. But as I've explained, this is not the responsibility of Mortgage Express and so I cannot consider this part of his complaint against it. And any questions about the sale documentation and what was taken at the time would need to be directed to company A.

Mr G hasn't disputed that he didn't contact Mortgage Express sooner to see whether it could provide an alternative mortgage. And I've not seen anything to persuade me that it has acted unfairly when Mr G's mortgage remained on the SVR after the

### **My final decision**

For the reasons set out above, I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 15 September 2023.

Thomas Brissenden  
**Ombudsman**