



Case study: Banking/Credit

MIS-SELLING OF MORTGAGE BASED ON ALLEGED FALSE ADVERTISING

Themes: mortgage rates, bank account application, mis-selling, online false advertising, historical website review

This complaint relates to a bank account application which was completed by the complainant in order to be able to access the residential mortgage products that he thought he was eligible for based on his understanding of the bank's website.

In December 2016, the complainant visited the bank's website and believed that, if he took an account with this bank, he would be able to access 90% Loan-to-Value (LTV) residential mortgages in the UK. Attracted by this mortgage product, he applied for an account with the bank.

In January 2017, the complainant applied for a 90% LTV residential mortgage but the application was refused. Confused by this rejection, he contacted the bank who explained that the product he had applied for (a 90% LTV residential mortgage) was not available to expatriate customers, and that it only offered 75% LTV residential mortgages to expatriate customers like him. The complainant formally complained to the bank, but his complaint was not upheld.

The complainant came to CIFO and raised a formal complaint against the bank based on two issues. The first was an alleged mis-sale of the bank account which he says he had opened solely on the basis of being able to access the 90% LTV residential mortgage. The second was based on the alleged false advertising of the bank regarding the mortgage products available to its expatriate customers.

The CIFO case handler conducted an historical audit of the relevant bank's webpage. After reviewing 22 historical versions of the page, the case handler found no trace of a 90% LTV residential mortgage being advertised for the bank's expatriate customers, only the 75% LTV product was found. Furthermore, it transpired from the audit that the complainant was mistaken on which bank entity was offering the 90% LTV product. It was only available for customers of the UK bank and not the international bank serving expatriate customers. Also, after reviewing the complainant's account application form, the case handler noticed that, while the customer was given the opportunity to specify that the purpose for applying for the account was to access the 90% LTV residential mortgage using the "other" box for "purpose of the account", he had selected the "main banking relationship" box. The case handler therefore concluded that there had been neither mis-selling nor false advertising and did not uphold the complaint.

After receipt of the recommendation, the complainant asked for the complaint to be escalated to the Ombudsman, saying that the case handler's findings were based on an analysis of the wrong webpage. After further investigation, the Ombudsman concluded that the case handler had conducted a thorough investigation using the technology available to review historical versions of commercial websites and that his conclusions were correct.

The complainant had been mistaken and his complaint was not upheld.