



Case study: Non-Bank Money Services/Credit

MISSING DETAILS PROVIDED DURING A RE-MORTGAGE LEADS TO ADDITIONAL LEGAL FEES

Themes: Re-mortgage; misleading communication; boundary and exchange agreements; distress and inconvenience.

This complaint relates to a mortgage provider's requirement that their appointed advocate draft a boundary and exchange agreement, which the complainants believed was missing details that led them to employ their own advocate at their own expense.

In September 2020, Mr and Mrs S applied for a re-mortgage with a mortgage provider for a new extension to their property. The mortgage provider issued an offer letter with a condition that their appointed advocate obtained all necessary consents and approvals from users and owners of the boundaries to the complainants' property.

In October 2020, the mortgage provider's advocate sent an email to Mr and Mrs S providing information regarding the consents, stating that not all owners and users of the boundary land would need to provide their consent. It later transpired that consent from all owners and users of the boundary land was required. Therefore, Mr and Mrs S made a complaint to their mortgage provider, claiming that the mortgage provider's advocate had supplied misleading information and requested a refund of the additional legal costs they had incurred obtaining the necessary consents, estimated to be £1,000. The mortgage provider rejected their complaint and Mr and Mrs S referred their complaint to CIFO.

CIFO investigated and noted that the additional costs would always have been incurred as consents from all the owners and users were required. CIFO upheld the complaint and concluded that the email sent to Mr and Mrs S from their mortgage provider's advocate had the potential to mislead and recommended that the mortgage provider compensate Mr and Mrs S with £200 for the distress and inconvenience caused by the lack of clarity. Both parties accepted the recommendation.