

## The complaint

Miss H and Mr S complain about Connells Limited in relation to mortgage brokerage services. Specifically, they are unhappy that they paid a £499 fee for a lifetime membership product, because they say they didn't know that they would need to pay any future application fees and thought these were included in this membership. They would like the £499 fee to be refunded.

## What happened

In 2017 Miss H and Mr S were purchasing a property for which they needed a mortgage and they arranged this through Connells. Miss H and Mr S paid two fees to Connells. There was a lifetime membership broker fee of £499. This was to cover mortgage advice, assistance with completing application forms for the mortgage and any ancillary products (such as mortgage- or property-related insurances). There was also a £99 administration fee which Connells has explained relates to the additional work required on an application, such as collation of documents, liaison with the lender and solicitors, rather than financial advice which is covered in the £499 lifetime fee.

The purchase and mortgage completed in 2017. In 2021 Miss H and Mr S arranged a re-mortgage through Connells. As they'd already paid the lifetime membership fee of £499 there was no charge for the mortgage advice, but there was a £99 administrative fee payable.

In December 2021 Miss H and Mr S complained to Connells about the lifetime membership. They say they were mis-sold it because they understood that they wouldn't need to pay any fees in future. And if this had been clearly explained they wouldn't have taken out the initial mortgage through Connells.

Connells didn't uphold the complaint. It explained that Miss H and Mr S had been provided with documents outlining the services offered by Connells and the fees involved in 2017. Connells said that Miss H and Mr S paid both the lifetime membership and administration fees in 2017 so it felt they would have been aware of the fees. However, Connells said it was prepared to offer Miss H and Mr S a refund of the administration fee on this one occasion as a gesture of goodwill.

Miss H and Mr S were unhappy with this, so they brought their complaint to this service.

Our investigator looked into the complaint and they didn't think it should be upheld. They were satisfied the documentation provided in 2017 was clear about the service Miss H and Mr S would receive and the payments they'd need to make. The investigator noted Miss H and Mr S had been given mortgage advice by Connells, and so they could see no basis on which the lifetime fee should be reimbursed and they thought Connell's offer to waive the £99 application fee was fair in the circumstances.

Miss H and Mr S didn't accept the investigator's findings. They said Connells had admitted that they hadn't specified that a £99 administration fee was applicable on every application in the key facts document. They said they also didn't recall ticking any boxes on the

documentation provided by Connells so a different copy to what was completed may have been sent to this service.

Because Miss H and Mr S didn't agree they asked for an ombudsman to make a final decision on their complaint, so the matter has been passed to me.

### **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.

Where evidence is unclear or in dispute, I reach my findings on the balance of probabilities – which is to say, what I consider most likely to have happened based on the evidence available and the surrounding circumstances.

Connells has provided contemporaneous records from its systems, that is, records compiled at the time of the events complained of. I'm satisfied I can rely on these as being an accurate record of what was recorded on its system at the time.

The crux of this complaint is that Miss H and Mr S say they weren't given any clear information in 2017 about having to pay any fees for future mortgages and they thought the main benefit of the lifetime membership scheme was that they wouldn't incur any fees. I've also noted Miss H and Mr S's concerns about what they claim to be falsified documents, namely that the boxes may have been ticked after they'd completed the forms.

After reviewing the file, I think it's more likely than not that Miss H and Mr S were given the information about the fees. I think it's implausible that Miss H and Mr S would have gone ahead with the mortgage in 2017 if they'd received no information about the product. Connells have provided us an email sent to Miss H and Mr S in February 2017 attaching the lifetime membership leaflet which set out the benefits of the product.

Connells also provided us copies of the leaflet and what information it contained. The leaflet sets out that taking lifetime membership will mean Miss H and Mr S wouldn't have to pay a *broker fee for mortgage advice*. It also clearly states that administration fees will still apply on all mortgage applications.

I have also been given a copy of the customer declaration form signed by Miss H and Mr S in February 2017. The declaration sets out that Miss H and Mr S have been charged a £499 lifetime fee and a separate administration fee of £99 which is payable on all cases on completion of the mortgage application. On the form Mr S has also signed separately to indicate these fees can be charged to his debit/credit card. So I don't think the boxes on this form were ticked after Miss H and Mr H had completed it, or that this document was falsified. If Miss H and Mr S were unsure of what fees were due I would have expected them to question this at the time.

I note that the key facts document provided to Miss H and Mr S at the time didn't include that administration charges would need to be paid on future completed mortgage application, but as I said above this information was provided to Miss H and Mr S in other documentation at the time so I think they should have been aware of this.

Miss H and Mr S say that if they knew they would need to pay future administration fees on mortgage applications they wouldn't have taken the lifetime product. But this was the only mortgage advice product that Connells offered at the time and it's likely that they would have had to pay a similar fee had they sought mortgage advice elsewhere. So even if Connells made it clearer that future administration fees would be due, I don't think Miss H and Mr S

would have acted differently on the evidence I've been provided.

I appreciate this isn't the outcome Miss H and Mr S were hoping for. I don't underestimate their strength of feeling but I can't say Connells acted unfairly or unreasonably in the information provided to them when they took out the lifetime membership. In their recent application they weren't charged for the mortgage advice and were only asked to pay the £99 administration fee which is in line with the terms they'd agreed to.

I acknowledge that the key facts document didn't contain the information on the fees as it should have. But Connells have offered to waive the £99 administration fee Miss H and Mr S paid for the recent mortgage application and I think that is fair in the circumstances, so I won't be asking it to do anything further.

### **My final decision**

For the reasons mentioned above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H and Mr S to accept or reject my decision before 30 September 2022.

Jag Dhuphar  
**Ombudsman**