

## The complaint

This complaint is about advice Mrs and Mr M received from Boon Brokers Limited about changes they wished to make to their mortgage. They're unhappy with the service and advice from Boon, which they believe caused them to miss out on an interest rate product at a time when rates generally were rising. By ending up on a higher rate, Mrs and Mr M say Boon has caused them financial loss.

Whilst the complaint has been brought by Mrs and Mr M jointly, all of our dealings have been with Mr M on their behalf.

## What happened

The broad circumstances of this complaint are known to Mrs and Mr M and Boon. I'm also aware that the investigator issued a detailed response to the complaint, a copy of which has been sent to all parties, and so I don't need to repeat all the details here. Our decisions are published, and it's important that I don't include any information that might result in Mrs and Mr M being identified.

Instead I'll give a brief summary in my own words, rounding the figures, and then focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

Mrs and Mr M already held a mortgage with a lender I'll call N. They were aiming to move house, borrowing more money in the process; in May 2023, they approached Boon for help arranging things. An initial illustration was issued for a mortgage from a new lender but no application was submitted. Instead, attention turned to taking the new mortgage from N.

The existing mortgage with N was on a fixed rate that was due to expire at the end of August 2023. So what Mrs and Mr M needed was a new fixed rate product that could be ported to the new mortgage, as well as a product for the new borrowing. Depending on whether the house move and completion of the new mortgage took place before or after 31 August 2023, Mrs and Mr M could potentially have incurred an early repayment charge (ERC) on redemption of the existing mortgage.

The complication was that the new borrowing would mean an increase in the loan-to-value ratio, or LTV, which in turn would impact on which interest rate products Mrs and Mr M would qualify for. Boon arranged the new mortgage first, which meant Mrs and Mr M having to wait until after the house move had happened and the new mortgage started to secure a new rate on the amount of the original lending. When that eventually happened, the available rate (5.94%) was much higher than the 4.19% they'd have been eligible for if Boon had secured the rate switch first.

Our investigator recommended the complaint be upheld. He was satisfied that Mrs and Mr M had expressed the securing of a new rate on the existing mortgage as their first priority. Even allowing for paying an ERC to achieve that (which on balance he considered Mrs and Mr M would have done) he concluded that they would incur a loss over the life of

the new product of around £6,200. The investigator said Boon should reimburse Mrs and Mr M their loss, and pay them £200 compensation for their time and trouble.

Mrs and Mr M accepted the recommended settlement; Boon did not, and asked for the complaint to be reviewed by an ombudsman.

### **What I've decided – and why**

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we don't replicate the work of the courts.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. But in doing so, we have to work within the rules of the ombudsman service, and the remit those rules give us.

Where the evidence is incomplete and/or contradictory, I'm required to reach my decision on the basis of what I consider is most likely to have happened, on the balance of probabilities. That's broadly the same test used by the courts in civil cases.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, these are my conclusions, and the reasons for them.

The crux of the complaint has crystallised into a dispute over the order in which N required the transactions to take place. Boon has told us that it held a live chat session with N where it asked which should happen first and N told it the new mortgage would need to go through first. In contrast, when we approached N directly, it told us something very different. N told our investigator that the two transactions could be in either order, just not both at the same time.

So it seems to me that one of two possibilities led Boon to arrange the new mortgage first, when Mrs and Mr M's priority was securing a new rate. Either:

- Boon asked N the specific question and N gave it wrong information which it relied on in good faith to pursue the new application first; or
- Boon didn't ask N the question and made its own decision to prioritise the new application.

I've studied the live chat transcript that Boon sent us by email on 23 January 2024; on first glance, it does seem to bear out its argument that it checked the position with N first before proceeding with the new application first. But there's a difficulty; the transcript in question is dated 22 January (the year isn't specified). This suggests to me that what Boon sent us on 23 January 2024 isn't a transcript of the actual conversation Boon held with N in June 2023. Rather, it looks like a re-enactment in January 2024, intended to elicit the reply that would have been given if the question had been asked in June 2023.

So in and of itself, that transcript is of no evidential value whatsoever when I am deciding what I consider is most likely to have happened on the balance of probabilities. Fortunately, in its original file submission to us, Boon included a transcript of the actual conversation it held with N in June 2023. I've studied that transcript, and there is no mention of the question on which the outcome of this complaint turns. The conclusion that leads me to is that Boon

prioritised the new mortgage over the new fixed rate when it need not have, and by doing so, caused Mrs and Mr M the detriment he investigator identified.

That leaves the question of compensation for the time, trouble and upset Mrs and Mr M experienced. Assessing compensation isn't an exact science; everyone's reaction to events is unique to them. Taking everything into account, I agree with the investigator that £200 is fair in this case.

### **My final decision**

I uphold this complaint and in full and final settlement by ordering Boon Brokers Limited to pay Mrs and Mr M redress comprised of A less B where:

- A is the additional interest they will pay over the duration of the 5.94% rate on the ported element of the new mortgage compared with what they would have paid over the same period on a 4.19% product;
- B equals the ERC they'd have incurred to switch the existing mortgage to the 4.19% fixed rate before 31 August 2023

Separately, I also order Boon Brokers Limited to pay Mrs and Mr M £200 compensation.

I make no other order or award. My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs and Mr M to accept or reject my decision before 7 August 2024.

Jeff Parrington

**Ombudsman**