

## **The complaint**

Mrs M's complaint is that Charter Court Financial Services Limited trading as Precise Mortgages (and referred to here as Precise) unfairly and unreasonably carried out a second credit search without her knowledge or consent. As a result of the information revealed in this search, Mrs M's mortgage offer was withdrawn by Precise. This has left Mrs M unable to consolidate her debts and has left her in financial difficulty.

To settle the complaint, Mrs M wants Precise to provide her with the mortgage, or alternatively reimburse £615 for the cost of the valuation and Energy Performance Certificate. Mrs M would also like compensation for the distress and inconvenience caused to her by missing out on the mortgage.

## **What happened**

I don't need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mrs M being identified.

So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

In May 2023 a re-mortgage application was submitted to Precise through Mrs M's broker. The application form gave her title as 'Miss', which was incorrect. A credit search was carried out against 'Miss' M, which raised no adverse information.

On 4 July 2023 a mortgage offer was issued in the name of 'Miss' M. On 16 July 2023 the solicitors acting on the re-mortgage emailed Precise asking it to amend its records from Miss to Mrs. Precise requested clarification of this on 10 July 2023, but this was overlooked by the solicitors. Precise chased this up on 25 August 2023, and on 29 August 2023 the solicitors confirmed that Mrs M was divorced and her title was 'Mrs'. In addition, Mrs M had spoken to Precise earlier that same day and confirmed her title was 'Mrs'. However, Mrs M says that she didn't ask Precise to change any information on her application.

As a result of this new information, using her correct title, Precise then carried out a second credit search against Mrs M, which revealed adverse information – defaults registered against Mrs M on 31 July 2023. This led to Precise withdrawing its mortgage offer.

Mrs M complained. She said that she'd never asked Precise to change her title on the application, and that the solicitors were at fault. Mrs M says that if the solicitors had corrected her title much earlier in the process, it wouldn't have been necessary for Precise to carry out a second credit check – the check which revealed adverse information.

Precise didn't uphold the complaint and so Mrs M brought it to our service. In addition to the complaint about the second credit check, Mrs M wasn't happy about the number of searches carried out by Precise that were showing on her credit file.

An Investigator looked at what had happened. Having done so, he didn't think the complaint should be upheld. He was satisfied that Precise had been entitled to carry out the second credit search. He was also satisfied that, given this revealed two defaults applied after the mortgage offer had been issued, that Precise had been within its rights to withdraw the mortgage offer.

The investigator also explained that Precise had carried out only two 'hard' searches against Mrs M, and that the other markers on her file related to 'soft' searches that were prompted by activity carried out during the application process. The Investigator clarified that 'soft' searches could only be seen by Mrs M, not other potential creditors carrying out a credit search.

In the circumstances, the Investigator was satisfied that Precise had done nothing wrong. He also clarified that we couldn't consider a complaint against the broker, and that the solicitors had given Mrs M its own separate response to her complaint against them. The solicitors had explained that it was under a duty to provide Precise with accurate information, which included updating Mrs M's title from Miss to Mrs.

Mrs M disagreed with the Investigator's findings and asked for an Ombudsman to review the complaint. Mrs M says that she didn't ask Precise to change her title from Miss to Mrs, and that Precise was being untruthful if it was claiming that she did.

Mrs M was also unhappy that the Investigator had asked her to provide a copy of her credit file, and was dissatisfied that the Investigator hadn't found that the soft searches on her credit file had been carried out. Mrs M was unhappy that Precise hadn't found the defaults on her credit file sooner, and also raised a number of questions she wanted answered, either by our service or by Precise.

Because Mrs M didn't accept the Investigator's findings, the case has been referred to me for a final 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 will explain first that the Financial Ombudsman Service is independent of both consumers and the businesses they are complaining about. This means that we don't act for consumers, nor do we take instructions either from consumers or businesses, or allow either party to direct the course of our investigations; were we to do so, it would compromise our independence and impartiality.

It's up to us to determine what evidence we need in order to investigate a complaint. So although I've noted the questions which Mrs M would like answered, it's not my role to answer her questions, or put her questions to Precise or act as a representative or go-between on this case.

I don't need to set out the details of the mortgage offer or the general conditions which allowed Precise to withdraw the mortgage offer, because the Investigator has already done so in correspondence.

The crux of the complaint is that Mrs M says she didn't ask Precise to change the title on her mortgage application from Miss to Mrs (although she acknowledges she is known as Mrs). She is unhappy that her solicitors asked Precise to change the title so late in the day, and that this should have been done much earlier in the process.

I'm satisfied that Precise was entitled to carry out the second credit check once it had confirmation from the solicitors of Mrs M's correct title. I note the solicitors have acknowledged there was a delay in responding to Precise's email of 10 July 2023, but that's not something Precise is responsible for.

Mrs M says she never asked Precise to change her title and that Precise's statement that she asked it to do so is untrue. But the solicitors asked Precise to change the incorrect title (which appears to have been an error on the application form submitted by Mrs M's broker), and so Mrs M's point is really moot, as it makes no difference who did, or didn't, ask for this to be changed; the fact remains that Precise was given details that weren't correct and it was entitled to amend this information.

The consequence of this was that Precise then needed to carry out a second credit check against Mrs M's correct title. It's unfortunate that this revealed defaults registered against Mrs M on 31 July 2023. However, I'm not persuaded that there has been any error by Precise; it was entitled to search against the correct name and, having done so, was within its rights to withdraw the mortgage offer after the defaults came to light.

Mrs M says that, but for the delay in her solicitors confirming her correct title, Precise wouldn't have carried out a second credit search, and so would never have discovered the defaults that had been placed on her credit file after the mortgage offer had been issued. Mrs M says that, without this second credit search, she'd have been able to have the mortgage she wanted from Precise.

I acknowledge Mrs M's disappointment, but the reason the mortgage offer was withdrawn was because information came to light in the credit search which resulted in Mrs M no longer meeting Precise's lending criteria. This was a decision Precise was justified in making, and was in line with the terms and conditions of the mortgage offer. I therefore don't uphold this part of the complaint.

In relation to the 'soft' credit searches, these were based on information provided, including the incorrect title, and Precise has confirmed these were system-prompted, relating to generic ID and the mortgage quotation. I'm satisfied that these will only show to Mrs M, and not to any party that searches her credit file. A soft credit search leaves no visible 'footprint' on the credit file and has no effect on credit scoring. Given this, I'm not upholding this part of the complaint either.

### **My final decision**

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 6 June 2024.

Jan O'Leary  
**Ombudsman**