



The complaint

Miss A's complaint arises out of mortgage advice given to her by Fluent Mortgages Limited trading as Fluent Money (and referred to as Fluent in this decision).

Miss A says:

- Calls and emails were unanswered or not responded to within the agreed timescales.
- When she reduced the borrowing by £10,000, Fluent wasn't able to source a different loan on better terms.
- She wasn't offered any alternative to a five-year fixed rate product, which she thinks was unsuitable for her needs.
- Although she'd requested Fluent to change the conveyancer's details, it failed to do so, resulting in a data breach.
- She wasn't able to log into the Fluent app, which meant she couldn't manage her account effectively.
- Fluent failed to tell her that the first payment on her new mortgage would be higher than the contractual monthly repayment.
- When she complained, Fluent failed to register the complaint properly.

To settle the complaint, Miss A wants Fluent to provide a written apology and adequate compensation.

What happened

I do not 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 Miss A 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.

Miss A was in the process of buying a house, and asked Fluent to arrange a mortgage for her. A mortgage illustration was produced by Fluent on 8 June 2023, for a mortgage of £130,000 (plus a fee of £1,495), with an assumed start date of 1 July 2023. The mortgage was to be over a term of 32 years, on an initial fixed rate of 6.19% for the first five years, following which it would revert to a variable interest rate.

On 19 July 2023 a mortgage offer was issued by the lender, offering a mortgage of £129,500 (plus the fee of £1,495) on a property valued at £185,000. The mortgage was on the same five-year fixed rate as stated in the illustration.

I don't know when the purchase and mortgage completed, but nothing turns on this in relation to this complaint.

On 31 October 2023, after completing her purchase and mortgage, Miss A wrote a letter of complaint to Fluent, outlining all the issues referred to in the complaint section above. Fluent accepted it ought to have logged a complaint for Miss A in July 2023, and August 2023. offered £100 compensation for this. Miss A didn't accept this and brought the complaint to our service.

An Investigator looked at what had happened and reached the following conclusions.

Poor communication – The Investigator wasn't persuaded Fluent's staff had been rude, dismissive or had failed properly to communicate with Miss A. She also thought the application had proceeded at a reasonable pace. The Investigator noted that there'd been staff changes, but didn't find this had resulted in any detriment to Miss A.

Reducing the borrowing by £10,000 – The Investigator was satisfied that this didn't reduce the loan amount by enough to bring the application into a lower loan-to-value ratio (LTV) bracket. As a result, the broker hadn't been able to source another product at a better interest rate.

Only offering a five-year fixed rate – The Investigator was satisfied that this had been a suitable recommendation. A two-year fixed rate would only have been available on a reduced amount of borrowing, insufficient for Miss A's purposes.

Fluent failed to change the conveyancer's details – The investigator noted that Miss A had provided Fluent with the details of the conveyancers she wanted to use in documentation dated 8 June 2023 and 12 June 2023. There was no record of her having contacted Fluent on 13 June 2023 to change this, as Miss A had claimed.

Unable to log into the Fluent app – The Investigator explained there was no regulatory requirement for Fluent to provide an app. She noted that Miss A had confirmed to Fluent she was able to log into the app, and was also able to communicate with Fluent in various other ways.

Failure to advise about initial monthly payment – The Investigator noted that the mortgage offer explained how the first monthly payment was calculated, and that this would depend on the completion date. The Investigator noted the suitability letter didn't give details about this, but she also noted that Fluent had invited Miss A to contact it with any questions about the mortgage offer.

Failure to log a complaint – Fluent had accepted it hadn't properly logged a complaint when Miss A contacted it in July 2023, and had offered £100 for poor communication. The Investigator thought this was fair in all the circumstances.

Other than the £100 compensation already offered, the Investigator didn't think Fluent needed to do anything more.

Miss A disagreed with the Investigator's findings. Miss A said that the Investigator had disagreed with every single one of her points and so wanted the complaint reviewed by an Ombudsman.

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 confirm I've listened to all the phone calls and reviewed all the documentation. Having done so, I've reached the same conclusion as the Investigator, for broadly the same reasons.

In relation to the recommendation of the five-year fixed rate, I'm satisfied this was suitable for Miss A's needs, for the following reasons. Although Fluent can source mortgages across a wide range of lenders, due to past impaired credit, and because part of Miss A's income was from self-employment, the lender options available for Fluent to recommend to Miss A were limited. The lender sourced by Fluent provides tailored lending to individuals with mixed sources of income and whose credit history is imperfect.

I'm satisfied that Fluent explained to Miss A that, even by reducing the loan amount by £10,000, she would still have exceeded a 60% LTV and so the range of products available to her wouldn't change.

Fluent also clarified that, on a two-year fixed rate, Miss A would only be able to borrow £109,000, which wouldn't be enough for her to go ahead with her purchase. That's because the higher monthly repayments on a variable rate at the end of the fixed rate period had to be factored into the lender's affordability calculation, and this in turn affected the amount the lender was willing to advance.

Given this, I'm satisfied that the five-year fixed rate taken out by Miss A was the most suitable product for her individual circumstances. I'm therefore not persuaded that it was mis-sold or that the advice wasn't suitable.

Miss A was unhappy that her first monthly mortgage payment was higher than the fixed monthly payment shown in the mortgage illustration. However, the mortgage illustration assumes the mortgage will begin on 1 July 2023. As a result, the first monthly repayment is shown as being the amount of the fixed monthly repayment for the remainder of the five-year fixed rate period.

The illustration called an ESIS which accompanied the mortgage offer dated 19 July 2023 says:

"Your first 60 monthly payment will be £784.50 at a fixed rate followed by 324 monthly payments of £1,055.54 at a variable rate, assuming interest rates do not change and your mortgage completes on the first day of the month following issue of this document..." (my emphasis)

The mortgage offer dated 19 July 2023 also contains a specific section which explains how the first monthly payment is calculated:

"Your first payment

Your first Monthly Payment will cover the period from the date of Completion up to the end of the month plus your first regular Monthly Mortgage Payment.

Your first Monthly Payment Date will be:

- a. if Completion takes place seven or more Business Days before the end of the Month, the first Business Day of the Month following Completion; or*
- b. if Completion takes place less than seven Business Days before the end of*

the Month, seven Business Days following Completion.

We will write to you following Completion of your mortgage to let you know how much your first Payment will be and when this will be due... Future Monthly Payments will become due on the first Business Day of each Month."

After the mortgage offer was issued, I note Fluent wrote to Miss A on 24 July 2023 inviting her to contact it if she had any queries. The letter says:

"Full details of the loan and applicable fees are contained within the Key Facts Illustration. If you require any explanation, please contact me. You should read this document carefully and check it against the details provided by the lender when the mortgage offer is issued."

This information had also been given to Miss A on 12 June 2023.

In addition, the mortgage offer states that if there is anything in the mortgage offer Miss A doesn't understand, she should ask her legal adviser to explain them to her.

In the circumstances, I'm satisfied that Miss A was alerted to the fact that, if her mortgage didn't complete on the first day of the month, the monthly payment would be higher than the fixed monthly payment. I'm therefore not persuaded there has been any failing on the part of Fluent here.

I've noted what Miss A has said about the conveyancers. I can see that in a phone conversation on 8 June 2023 Miss A told Fluent that she was going to use a firm I will call GSB for her conveyancing. However, on forms returned to Fluent on 9 June 2023 and 12 June 2023 Miss A gave the name of a different firm, SC (also known as PPL), as her instructed conveyancers.

Although Miss A says that she contacted Fluent on 13 June 2023 to change the conveyancers' details, there is no record of this. Given the detailed records kept by Fluent, the evidence persuades me that there was no request on 13 June 2023 to change the conveyancers from SC/PPL to GSB.

Miss A has highlighted various issues she encountered in communicating with Fluent. There were staff changes, which I'm not persuaded resulted in any detriment to Miss A. It seems from the evidence provided that the flow of information and communication between Fluent and Miss A was largely unaffected by this.

Miss A also says that she wasn't able to use Fluent's app in order to follow the progress of her application. Miss A was able to contact Fluent via telephone and email, and also confirmed to Fluent in a phone call on 12 June 2023 that she was able to get into the app. I'm therefore not persuaded, even if Miss A had difficulties with the app (which the evidence does not support) that this impaired her communication with Fluent.

Fluent has accepted that when Miss A called to express her dissatisfaction on 3 July 2023 this wasn't logged as a complaint when it should have been. The call handler misunderstood the position and thought Miss A had agreed her complaint was resolved. This wasn't clarified until 8 August 2023, but again this wasn't escalated as a complaint, and it wasn't until nearly three months later, following Miss A's letter of 31 October 2023, that Fluent's Complaints Department first became aware of Miss A's concerns.

I am glad to note that Fluent has agreed its customer service fell short here. Fluent has offered compensation of £100 for not properly acknowledging and registering the complaint. I think this is fair in all the circumstances. That's because I'm satisfied that, in relation to the suitability of the advice and the other customer service issues Miss A complained about, Fluent has done nothing wrong. So although Miss A's complaint was first raised during the course of the open mortgage application, there has been no actual financial loss or detriment to her, because I'm satisfied the application and advice were handled properly, and so there would have been no different outcome in relation to the complaints about those issues, even if Fluent had escalated the complaint sooner.

But it did cause Miss A some inconvenience to have to contact Fluent to make a formal complaint in October 2023, when she'd thought for some weeks that Fluent was already dealing with her complaint. I see that in its final response letter Fluent apologised, and that it paid Miss A the £100 compensation direct to her bank account. Given this, I don't require Fluent to do anything further.

Conclusion

I'm satisfied that the mortgage advice was suitable for Miss A's needs, wishes and circumstances. I'm also satisfied that Fluent's administration of the application was satisfactory, and that the instruction of the conveyancers was in line with Miss A's written instructions. For the errors Fluent has acknowledged in relation to its failure to escalate Miss A's complaint, the apology provided and £100 compensation paid is fair and reasonable in all the circumstances.

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 Miss A to accept or reject my decision before 30 July 2024.

Jan O'Leary
Ombudsman