

The complaint

Mr and Mrs S complain that Connells Limited did not deal with their product transfer application in a timely or professional way. As a result, they said they lost out on a lower interest rate for their mortgage.

What happened

Connells was giving Mr and Mrs S mortgage advice to transfer their mortgage to a new interest rate product as their existing product was due to expire. Connells gave Mr and Mrs S details of the products offered by the lender. On 11 June 2023, Mr and Mrs S chose a two-year fixed rate of 4.99%.

Connells said that it needed proof of identity and address from Mr and Mrs S – what it called a “CREDAS” check. But it said it did not receive all of the information it needed until 26 June 2023 – Mr and Mrs S dispute that. They said they completed the check on 16 June 2023.

Connells said it applied for the product transfer on 26 June 2023. But the interest rate on a two-year fixed rate had gone up to 5.54%. Connells said it told Mr and Mrs S they would receive the mortgage offer directly from the lender. It said they would need to go online to accept the offer. But Mr and Mrs S did not accept the offer.

On 18 July 2023, the lender wrote to Mr and Mrs S. It said that their mortgage had reverted to the standard variable rate (SVR). Connells arranged a new interest rate product for Mr and Mrs S. But the interest rate on a two-year fixed rate was 5.85%, which they accepted.

Mr and Mrs S complain that Connells did not process their application in a timely way. They consider they lost out on the interest rate they chose on 10 June 2023 because of that. As a result, they will have to pay around £6,000 more over the two years.

The investigator did not think the complaint should be upheld. He considered that Connells could not apply for the product transfer until it had verified Mr and Mrs S's identity – and that it was necessary for it to do so. Connells had applied for the lowest interest rate it could have secured for them. Connells was not responsible for the previous offer not being accepted.

Mr and Mrs S did not accept what the investigator said. They made a number of points, including:

- There were unnecessary delays by Connells in actioning their request that meant they had to accept a more expensive product from the lender.
- It took Connells four working days for it to email them a link to the CREDAS check. They completed it within three hours and Connells had immediate access to the positive outcome of the CREDAS check.
- The four-day delay was unacceptable. It demonstrated a lack of urgency bearing in mind the urgency of the matter.

- Other mortgage brokers have told them that 24 hours is a reasonable timescale to process a product transfer after a successful CREDAS check.
- It took Connells another 11 days until 26 June 2023 to book a product. That was unreasonable.
- They have experienced unnecessary financial stress because Connells did not act in a timely manner.

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.

Mr and Mrs S said they confirmed which rate they wanted on Saturday 10 June 2023. But the email they gave us shows that was on Sunday 11 June 2023 at 8.06pm. Either way, they were both non-working days so I would not expect Connells to process a request straight away. The earliest it could have done so was Monday 12 June 2023.

On 15 June 2023, Connells sent Mr and Mrs S the CREDAS invitation. I do not consider that it was unreasonable for Connells to begin processing Mr and Mrs S's request on the third working day. That is not an unreasonable delay.

Connells had good reason to complete a CREDAS check. It needed to verify Mr and Mrs S's identity. They completed the CREDAS check on Friday 16 June 2023.

The next action taken by Connells was on Monday 26 June 2023, when it booked an interest rate of 5.54%. Mr and Mrs S consider that it should not have taken ten days to process the request. Connells said that it didn't receive the final document from Mr and Mrs S until 26 June 2023, so that was the earliest it could take any action.

I can't see that Connells has given any evidence to support that it only received the information from Mr and Mrs S on 26 June 2023. So I am prepared to accept that Mr and Mrs S had satisfactorily completed the CREDAS check on 16 June. But even so, that means it took around five or six working days to then book the rate. I do not think that is unreasonable.

Even if I could say that Connells should have booked a new interest rate for Mr and Mrs S sooner, it would only have been a few days before the rate was actually booked. Bearing in mind the volatility in the mortgage market at the time it seems unlikely that the initial rate they'd chosen on 11 June 2023 would still have been available. My understanding is that many lenders increased their interest rates soon after that. We do not have any evidence that had the application been made earlier – and bearing in mind that the earliest would likely to have been between 18 and 22 June 2023 – that a better rate was available than the one Connells applied for.

In any event, the reason the product transfer did not go ahead was because Mr and Mrs S did not accept the offer from Santander. That is not an error by Connells. Even if Connells had booked a rate earlier, the lender would still have sent the offer by the same method. It seems likely that Mr and Mrs S would have ended up in the same position and would not have accepted the offer.

I understand why Mr and Mrs S are unhappy. They expected to get the rate they asked for on 11 June 2023. But I don't think Connells delayed things as much as they believe, if at all. And even if it had acted more quickly it is not clear they could ever have secured the rate

they initially discussed. And – importantly – Mr and Mrs S lost out on the rate that was booked because they did not accept the offer.

I consider Connells acted reasonably once it found out that Mr and Mrs S had not accepted the offer and obtained the best rate available.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 21 November 2024.

Ken Rose
Ombudsman