

The complaint

Mr and Mrs C complain about the poor service and misinformation provided by Wave Lending Limited when they asked about reducing staggering their payments in advance of the sale of their buy to let property.

What happened

Mr and Mrs C had a buy to let mortgage with Wave and contacted the lender about arranging a plan to stagger the payments until the property was sold as part of the divorce settlement. At that stage, the property was untenanted, and they would be unable to pay the contractual monthly payments between March and July 2024 when it was intended that the property would be sold. Mr and Mrs C had been able to work with another lender on such a plan on a different property. Mr and Mrs C say that Wave was completely unhelpful and that staff were unaware of their own practices, gave them misleading information and wasted their time for which they would like compensation.

Wave says that it was approached by Mr and Mrs C in February 2024 about the difficulty they would face in making payments and whilst it could agree a reduced payment plan pending sale, this would have implications for their credit record if the arrears were equal to or in excess of one monthly payment.

Our investigator's view was that in its calls with Mrs C on 28 and 29 February 2024, it had provided the correct information and didn't recommend that the complaint should be upheld. Mr and Mrs C say that different staff at Wave gave out different information and this is unsatisfactory and requested a review.

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 C wanted a period of making reduced payments to Wave to allow them to sell their property whilst it was untenanted. Wave granted this. The problem was that Wave reports monthly payments to credit reference agencies and these will show if an account is a month or more in arrears. Mr and Mrs C weren't unhappy with the arrangement but with the information that Wave told them about the reporting of the payments to the credit reference agencies. Mr and Mrs C in their email of 1 June 2024 say that they were told by two members of staff at Wave that the payment could not be adjusted but then by a senior member of staff that the payments can be adjusted and that the previous information was incorrect and that they want to insure that this type of misinformation should not be given to other customers of Wave.

Mrs C had two conversations with staff at Wave on 28 February 2024 in regard to a proposed payment arrangement. On those calls Mrs C was given the unwelcome news that even if there was a payment arrangement the credit file would be impacted if the account was more than one month in arrears. On the following day, Mr C rang and asked about what

would happen if they paid just over half the monthly payment. The Wave adviser told Mr C that paying just over half would allow them to underpay for two months without affecting their credit file if in the third month a full payment was made to bring the arrears below the threshold.

It seems to me that in the first conversations that Wave provided correct information. That is also the case in the second conversations when Mr C invited the adviser to comment on a proposed structure that would assist Mr and Mrs C in avoiding an arrears marker on their credit file. In neither case can I find that Wave was at fault. The Wave advisers were there to give assistance to Mr and Mrs C in the financial difficulties they had with paying the mortgage and to come to some solution as in this case. They are also required to inform customers that arrangements may have credit file implications. But they are not experts on managing credit files.

I would not expect the Wave to be experts on the workings of the credit reference agencies or to propose ways for customers to minimise the impact of an arrangement on their credit file. That's simply not their job or expertise. I appreciate that some advisers may have more experience of credit files than others and some more knowledge and could answer Mr C when he made suggestions about structuring the arrangement. But I can't fault the advisers if they do not initiate proposals. It's simply not their job. So, for the above reasons I can't fairly uphold this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 27 September 2024.

Gerard McManus
Ombudsman