

The complaint

This complaint is about a help-to-buy (HTB) loan Miss D holds, which is administered by Lenvi Servicing Limited trading as Lenvi. The essence of the complaint is that in July 2023, Miss D submitted all necessary paperwork to Lenvi, including a valuation of her property conducted in June 2023, in order to redeem the HTB loan. Lenvi's admitted mishandling of the request means the valuation expired without a redemption letter being issued to Miss D telling her how much to pay. She still has the loan and continues to be charged interest on it every month.

What happened

The broad circumstances of this complaint are known to Miss D and Lenvi. 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 Miss D being identified.

Instead I'll give a brief summary in my own words 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.

Lenvi offered to settle the complaint by refunding half of the ongoing interest, covering the cost of a new valuation to re-start the redemption process, and paying Miss D £100 compensation. Miss D rejected this, chiefly because her property value has risen since 2023 and a new valuation would result in her paying more to redeem the HTB loan than she would have paid if Lenvi had handled things correctly to begin with.

The investigator was persuaded that if Lenvi had acted correctly, Miss D would have been able to redeem the HTB loan in August 2023. She recommended the complaint be settled by Lenvi issuing a redemption letter based on the June 2023 valuation, refunding all of the extra interest charged between August 2023 and the eventual redemption date (with interest thereon) and paying Miss D £200 compensation.

Miss D accepted the recommended settlement; despite numerous reminders, Lenvi did not respond substantively to the investigator. Accordingly, the case has come to me to review and determine.

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.

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.

This isn't a complaint where I have to decide fault; Lenvi's mishandling of Miss D's attempts to redeem her HTB loan is clear and undisputed. I note that this happened just as Lenvi was taking over responsibility for the loan from a previous administrator. That explains the problems to a degree, but doesn't mitigate Lenvi's accountability for the adverse impact on Miss D. What I have to decide is what fair redress should be. After taking account of everything that has been said and provided, I agree with the investigator's proposed settlement.

All that leaves me to add is that Lenvi's failure to respond substantively to the investigator is unacceptable, as is the reason it gave for not doing so. Lenvi might not be the actual lender here, but it is the administrator of the loan, and it is Lenvi's own administrative failings that have caused the loss Miss D has suffered. It should therefore accept the consequences of those failings without first seeking permission from its principal. In the event Miss D accepts my final decision, it will be binding *on Lenvi*.

My final decision

My final decision is that I uphold this complaint and in full and final settlement order Lenvi Servicing Limited to do the following:

- issue a redemption letter to Miss D for the amount she would have been due to pay on 1 August 2023, based on the June 2023 valuation;
- on receipt of the required amount from Miss D, re-work the HTB loan account as if the redemption amount had been received on 1 August 2023, and refund all additional monthly interest payments made by Miss D in the interim;
- calculate and pay to Miss D interest on each refunded monthly interest amount, at 8%* simple per annum, from the date each interest payment was made up to the eventual date of settlement.

Separately, and without waiting for the above elements of the award to be concluded, I order Lenvi Servicing Limited to pay Miss D £200 compensation.

*In the event Lenvi Servicing Limited considers it should deduct basic rate income tax from this element of the redress, it should also issue Miss D with the relevant tax certificate.

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 Miss D to accept or reject my decision before 16 December 2024.

Jeff Parrington
Ombudsman