

complaint

Mr C complains about delays by Clydesdale Bank Plc, which caused him to lose a potential mortgage with another bank.

background

Mr C has various debts to Clydesdale, both arising from his own borrowing and borrowing he has guaranteed. The borrowing is secured on his farm. Clydesdale wants Mr C to reduce his debts to the bank, and so Mr C applied to another bank for finance to be secured on a cottage on the farm's land.

This required Clydesdale's agreement and changes to its security. Clydesdale agreed provided Mr C's borrowing was reduced by a certain amount, and provided it still had good security for the rest.

Unfortunately the transaction didn't go ahead. Mr C complained that this was because Clydesdale delayed, both itself and through its lawyers, meaning that the other bank pulled out.

Clydesdale agreed that the process had taken a long time. But it didn't accept that it or its lawyers were at fault. It said that it was a complicated transaction involving several parties, and that is what made it take time. Our adjudicator agreed that Clydesdale hadn't unduly delayed, and so Mr C wants an ombudsman to make the final decision on his case.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I'm afraid I'm going to disappoint Mr C again; I too don't think that this complaint should be upheld.

I have looked carefully at what happened at each stage of the process, using the helpful chronology the adjudicator prepared to help me. I can see that things did take a long time. But I don't agree that this was because Clydesdale was at fault.

This was a relatively complex transaction, because the cottage was being isolated from, but would still be surrounded by, the farmland. This meant that the deeds were more difficult to draw up than usual, because various rights had to be written into them. Clydesdale's solicitors weren't happy that the first draft it was sent adequately protected the bank, and so there was some negotiation about terms.

Mr C also tried at various times to get Clydesdale to agree to changes to the terms of his agreement with it. Each time this was refused, but each time it had to be considered. There were also external problems with things like planning permission.

Overall, I can see that the process took time, and I can see why Mr C became deeply frustrated by that. But I'm not persuaded that this was Clydesdale's fault. I think it simply reflected the nature of the transaction.

my final decision

For the reasons I have given, my final decision is that I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr C to accept or reject my decision before 10 July 2015.

Simon Pugh
ombudsman