

complaint

Mr H and Miss A have complained about the terms of a mortgage offered to them by HSBC Bank Plc (HSBC) and about HSBC's refusal to refund a fee that they paid in connection with the mortgage application.

background

Mr H and Miss A contacted HSBC regarding a mortgage in March 2013. HSBC gave Mr H and Miss A an illustration of a mortgage and Mr H and Miss A decided to apply for the mortgage illustrated. Mr H and Miss A paid HSBC a fee of £249 when they made the application.

HSBC offered a mortgage to Mr H and Miss A which they accepted. However, when Mr H and Miss A received the mortgage deed and mortgage terms and conditions they discovered certain aspects of the mortgage that were unacceptable to them. In particular, the mortgage deed contained an "all monies charge" that would have secured other debts owed by Mr H and Miss A to HSBC in addition to the mortgage.

Mr H and Miss A withdrew their application and asked HSBC to refund the £249 fee. HSBC refused to refund the fee on the basis that it is "non-refundable".

our initial conclusions

Our adjudicator did not recommend that the complaint should be upheld. He did not consider that HSBC was obliged to issue Mr H and Miss A with the terms and conditions in advance of making the offer and he thought that Mr H and Miss A had understood that the fee was non-refundable.

Mr H and Miss A did not accept our adjudicator's conclusions.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

HSBC had a regulatory obligation to provide Mr H and Miss A with a mortgage illustration before they submitted a mortgage application. The matters that are required to be included in the illustration are set out in the regulations. I have seen a copy of the illustration given to Mr H and Miss A and I am satisfied that it contains all the required information.

The regulations do not require the illustration to cover each and every aspect of the mortgage. There was, therefore, always a possibility that, after they made their application, Mr H and Miss A would find something that they were not happy with.

The section of the illustration that covers fees clearly shows that the fees are not refundable. It also says that a fee of £249 is payable on application. It seems to me that Mr H and Miss A should have been aware that HSBC would not refund the fee of £249 in the event that Mr H and Miss A decided not to go ahead with the mortgage.

In all the circumstances of this case I do not think that I could reasonably decide that HSBC treated Mr H and Miss A unfairly or unreasonably.

my final decision

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

Charles Bacon
ombudsman