

For Immediate Release

Guildford, Surrey – 22nd January 2012 – The Partnership has evidence that banks and building societies are misleading their mortgage clients over legal representation and costs, with the result that one of their clients has instructed the financial ombudsman to take direct action.

Traditionally, solicitors represented both the buyer and the mortgage lender in the purchase of a property. However, lenders, concerned about the increasing levels of mortgage fraud, have recently started to dictate who may represent them, by setting up panels of “authorised” firms.

This change has led to warnings that consumer choice was being restricted, but The Partnership now has specific evidence where clients are being penalised due to their selection of mortgage provider. These include a bank misleading a client over costs, another forcing a client to use an expensive London solicitor, and a nationalised lender refusing to disclose their charges.

Peter Ambrose, Director of The Partnership, is extremely concerned; *“We do not mind lenders dictating who may represent them - indeed, we would prefer that ALL lenders used their own chosen law firms to represent themselves as it removes a potential conflict of interest that we currently face.*

However, our evidence shows that lenders are abusing their position, to the detriment of their clients. After approving a mortgage, a bank tried to allocate a conveyancer directly to one of our clients for a cost of £600. When our client explained that he already had a solicitor, he was told this fee would apply anyway. As the correct figure was £160, it suggests that the bank was quoting the full conveyancing fee in what appears to be an attempt to encourage our client to use their chosen provider.

We had been acting for a lender with their authority, but two days before exchange, they withdrew this authority and told our client to either use another law firm for the entire transaction, or to use one of their chosen firms to represent them for a fee of nearly £1000. Given the time pressure, our client had no choice but to use the firm that was representing the lender, resulting in a doubling of their fees.

Given the much publicised pressure on banks to act fairly, we are disappointed that some do not appear to be acting in the best interests of their clients. It is particularly galling when a client must revert to the financial ombudsman because a nationalised firm refuses to disclose the fees that their chosen law firm will be charging. This abuse of power must be stopped, and we are delighted that the ombudsman has acted quickly but are very concerned about the approach some lenders are taking.”

Notes to Editors

The Partnership is a new breed of law firm, employing London-trained solicitors, specialising in fast and efficient transactions. For more information go to www.thepartnershiplimited.com

Media enquiries

Peter Ambrose, The Partnership – 01483 579978 or email info@thepartnershiplimited.com