



Review

5 August 2016

- Investment
 - Mortgage provider
- Application declined
 - Misrepresentation
- Misleading conduct

Case Management
PO Box A252
Sydney South NSW 1235

T 1800 138 422
F 02 9273 8440
info@cio.org.au
www.cio.org.au

5 August 2016

Consumer: Mr X

Financial services provider (FSP): A lender

Dear Mr X

Complaint by Mr X about a lender

This Review provides you with our assessment of your complaint about a lender (**FSP**).

Complaint summary

You say that:

1. you requested that the FSP vary the terms of your loan, by changing your loan repayments from principal and interest to interest only, as you had begun to rent out your security property,
2. the FSP informed you in two separate emails that it would change the terms of the loan if you provided it with a copy of the rental agreement, and
3. you provided the FSP with the requested documents, however the FSP has not changed your loan.

In resolution of the complaint, you want the FSP to:

1. change your loan repayments from principal and interest to interest only, and
2. refund to you the additional payments you have paid under your loan while waiting for the loan to be changed.

Our Review

Under our Rules, we are unable to deal with a complaint where the financial services provider has done no more than exercise its commercial judgement, including in relation to lending (CIO Rule 10.1(f) – 9th Edition).

From the emails you have provided to us, it appears that the FSP requested that you provide it with a copy of the rental agreement for the property, in order for the FSP to consider your request to change the loan repayments. Those emails do not include any guarantee from the FSP that your loan would be changed in accordance with your request, rather that “your request will be actioned” and that interest only was an available option.

We attach a copy of an email from the FSP to us dated 6 July 2016 for your information, which contains an explanation from the FSP as to why it is unable to change the terms of your loan. In particular, the FSP has informed us that its lending policy requires you to undergo a full credit assessment in order to have your loan type changed from lo doc to full doc and for the loan repayments to be changed from interest and principal to interest only.

It is a matter for the FSP's commercial judgement as to whether it will agree to your request to vary your loan.

Consequently, we find that this complaint is outside of our jurisdiction and we are unable to deal with it further (CIO Rule 36.1(a) – 9th Edition).

Responding to our Review

For the reasons set out above, we are unable to deal with this complaint further.

If you disagree with our Review and have further information to indicate that the complaint should remain open, we ask that this be provided to us by no later than **19 August 2016**.

If you provide us with new information, we will assess whether this changes the findings set out in this Review. If so, we will notify the parties and continue to deal with the complaint.

You can also ask for a Determination. A Determination is made by the Ombudsman and is a final decision about the complaint.

If we do not receive a response from you, this Review will become our final decision and the complaint will be closed. We will notify the parties of this.

You must respond by **19 August 2016**. If more time is needed, a request for an extension should be made as soon as possible and, at the very latest, before **19 August 2016**.

Case Manager