

The complaint

Mr H's complaint is about his mortgage account held with Clydesdale Bank Plc. Mr H's mortgage is with Yorkshire Bank Home Loans Limited, a trading name of Clydesdale. For clarity, I will refer throughout to Clydesdale.

Mr H says that in April/May 2023 he lost out on booking a new interest rate product (a five-year fixed rate of 3.96%) following resolution of an earlier complaint because he was waiting for Clydesdale to contact him. Mr H says his calls and emails to Clydesdale went unanswered. Eventually Mr H booked a new interest rate product, but at a higher rate than he'd have been able to get if Clydesdale had contacted him when he'd expected it to.

To settle the complaint, Mr H wants Clydesdale to compensate him for his financial losses.

What happened

I do not need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr H being identified. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

Following a previous complaint to Clydesdale, Mr H's mortgage was re-worked as if it had been on a five-year fixed rate from 1 April 2018. Due to the previous complaint, rather than the mortgage reverting to Standard Variable Rate (SVR) on 1 April 2023, this was extended by the bank for a further month, so SVR would take effect from 1 May 2023.

On resolution of that complaint, Clydesdale wrote to Mr H on 12 May 2023. The letter said:

"We've agreed with the FOS to credit £15,619.71 to your mortgage and pay you £300 in compensation..."

"The mortgage credit has already been made so you are able to arrange a new product. If you remain on our Standard Variable Rate, we will need monthly payments from 6 June onwards..."

Mr H says that he was expecting a call from Clydesdale to arrange a new rate. Mr H wanted a new five-year fixed rate of 3.96%. However, Clydesdale didn't contact Mr H to arrange a new rate and the mortgage reverted to SVR.

Mr H made several calls to the bank but wasn't able to get through. The emails he sent received no reply.

On 6 July 2023 Mr H emailed the bank's CEO raising his complaint that he hadn't been contacted by Clydesdale to arrange a new product. Mr H said that "as discussed with the

Ombudsman” he’d been told he would receive a phone call to begin the application during April 2023.

On 25 July 2023 Mr H arranged a new product online, a fixed rate of 5.50% to 31 October 2028.

In response to the complaint, Clydesdale initially sent an acknowledgement on 12 July 2023, but this was to an incorrect address. In Clydesdale’s final response (sent to the correct address) the complaint about the interest rate wasn’t upheld.

Clydesdale noted that Mr H had told our service on his previous complaint that he would contact Clydesdale to arrange a new rate. There was therefore no agreement that Clydesdale would proactively contact Mr H to arrange this. In addition, Clydesdale noted that the majority of the calls Mr H had made had lasted for about five seconds, and didn’t think this was the fault of Clydesdale.

Due to the error in sending the acknowledgement of the complaint to an incorrect address, Clydesdale offered Mr H £25 compensation.

Dissatisfied with this, Mr H escalated his complaint to our service. An Investigator looked at what had happened, but didn’t think Clydesdale needed to do anything more. The Investigator wasn’t persuaded that Clydesdale had said it would call Mr H, and that the correspondence was clear that the onus was on him to contact Clydesdale.

The Investigator looked at the call logs Mr H had provided. She noted that longer calls to Clydesdale on 2 May 2023 and 6 June 2023 wouldn’t have allowed Mr H to fix a new interest rate, as the numbers dialled were to a general banking enquiry line and the line for Virgin Money mortgage customers (separate from Clydesdale or Yorkshire Bank mortgages). The five-second calls Mr H had made weren’t logged on Clydesdale’s system, and there was no evidence to suggest a problem with Clydesdale’s phone lines at that time. The Investigator also pointed out that Mr H could have booked the 3.96% rate online, if he was having difficulty getting through to Clydesdale.

The Investigator thought the £25 offered for sending the complaint acknowledgement to an incorrect address was fair. She didn’t think Clydesdale needed to do anything further.

Mr H disagreed and asked for an Ombudsman to review the complaint. He’s repeated his points that he was told by the bank that he’d receive a call back. Mr H also said he wasn’t able to switch products online because he doesn’t have an online account and so didn’t know the exact balance. Mr H says that he thinks it’s clear Clydesdale’s systems require improvement.

What I’ve decided – and why

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, I’ve reached the same conclusion as the Investigator, for broadly the same reasons. As a result, I’m not going to ask Clydesdale to do anything more.

Mr H is insistent that he was told by Clydesdale that he should expect a call back to re-arrange a new mortgage product. The calls that Mr H can show were connected weren’t to any part of the bank that could arrange a new interest rate product for him – they were

either to a general banking line or to other mortgage trading entities within the Clydesdale group than Mr H's mortgage lender.

I don't know why Mr H's other calls weren't connected. However, Clydesdale has confirmed that it wasn't able to identify any error with its phone systems at the time.

The evidence doesn't persuade me that Clydesdale told Mr H it would call him back. Mr H is unclear about how he was told this – he initially said it was either in writing or verbally. However, the available written evidence is clear that the expectation was that Mr H would contact the bank to arrange a new interest rate product. I therefore think it's unlikely, given that the written evidence places the onus on Mr H, that he would have been told otherwise by Clydesdale.

I'm also not persuaded that Mr H needed the exact balance on his mortgage account in order to be able to switch products online. All Mr H needed was his mortgage account number – and this is confirmed on the bank's website relating to product switches. The exact balance wouldn't have been necessary because interest is calculated daily, and so the balance fluctuates from day to day.

Overall, I'm unable to find Clydesdale to be at fault in relation to Mr H missing out on the interest rate product he wanted. Whilst I appreciate his frustration that he's now on a higher rate, I can't reasonably expect Clydesdale to compensate him for this.

It's unfortunate that the letter sent acknowledging Mr H's complaint was sent to an old address that Clydesdale still had on its system. I think the £25 compensation offered for this is fair and reasonable, and I don't require the bank to do anything further. Clydesdale later issued its final response to the correct address, and this was within eight weeks of receiving the complaint, in line with its regulatory obligations.

I've noted what Mr H has said about Clydesdale's systems. However, I can't tell Clydesdale how to run its business or what systems and processes it should have in place. Whilst I acknowledge it must have been frustrating for Mr H that he wasn't able to get through on the phone, as I said above, Clydesdale wasn't able to identify any issues with its phone systems at the time.

My final decision

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 30 September 2024.

Jan O'Leary
Ombudsman