

The complaint

Mrs W and Mr W complain they were unable to access a fixed interest rate mortgage deal on-line. They say delays in speaking to a mortgage adviser meant they missed out on a more favourable rate. And they are unhappy with how their complaint was handled.

What happened

In 2018 Mrs W and Mr W took out a residential repayment mortgage with Bank of Scotland plc trading as Halifax (Halifax) through a concessionary scheme. They made some changes to their mortgage later on. In 2022 the interest rate on the full amount of their borrowing was tracking the Bank of England base rate.

In mid-September 2022 Mr W tried to apply for a publicly available fixed interest rate product on-line. He wasn't able to complete the application and was told to speak to a mortgage adviser (MA). Mr W tried several times unsuccessfully to do that.

At the end of September Mr W filled in a Halifax contact form requesting a call back. Halifax didn't get in touch until mid-October. By then the rates available to him and Mrs W had gone up. They agreed to a five-year fixed rate deal at a higher rate than the one they'd wanted. They complained to Halifax.

Mrs W and Mr W said their on-line application had been blocked; they were unhappy about the delay in speaking to an MA; and they complained about having to agree a higher rate than those that had been available when Mr W had tried to apply on-line.

Halifax didn't uphold their complaint. They explained Mrs W and Mr W could only apply for a change to their mortgage rate through an MA. And they could only access rates that were available at the time they applied.

Since Mrs W and Mr W remained unhappy, they brought their complaint to the Financial Ombudsman Service. They said the rate they'd ended up with would cost them around £1,800 more over the five-year term than the rate they'd wanted. They said Halifax had caused them and their family great distress at an already turbulent time and economy. They also raised concerns about the way in which their complaint had been handled by Halifax.

To put things right Mrs W and Mr W wanted Halifax to give them the rate Mr W had tried to apply for on-line and refund the extra they'd already paid. Alternatively, they wanted Halifax to pay them the additional amount they'd pay on the rate they'd got over the five-year term. And they wanted compensation for the distress and inconvenience they'd experienced.

Our investigator didn't think Halifax had done anything wrong. He said, in summary, that since Mrs W and Mr W had a concessionary mortgage, Halifax's processes required them to speak to an MA to make any changes to it; Halifax had followed their process; and given the high demand from customers, the time it took to arrange an MA appointment wasn't unreasonable. Since Mrs W and Mr W didn't agree, their complaint's been passed to me to decide.

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.

I may not mention here all the points the parties have made. No discourtesy is intended by that. It simply reflects the informal nature of the service we provide. I'd reassure them I've considered everything they've said. In coming to my decision, I'll focus on what I consider to be key.

I'm sorry to hear about Mrs W and Mr W's difficult personal circumstances. I can understand it was a stressful time for them when interest rates were going up and their mortgage costs were increasing. And I appreciate it was disappointing they were unable to get the fixed rate Mr W tried to apply for on-line. However, I've come to the same outcome about their complaint as our investigator for similar reasons, as I'll explain.

Halifax have policies and procedures in place relating to mortgage applications. Although product switches can be made on-line on an execution only - or non-advised - basis in certain circumstances, in others Halifax require their customers to attend a meeting with an MA. I'm satisfied Halifax acted in line with their policy here. It required customers on a concessionary rate, like Mrs W and Mr W's, to discuss rate changes with an MA whether they wanted a concessionary rate or a publicly available one. So, it wasn't possible for Mr W to complete the application on-line.

We can't generally interfere with a firm's policies and procedures. If Mrs W and Mr W have concerns about those they'd need to contact the regulator, the Financial Conduct Authority. I can, however, consider whether Halifax treated Mrs W and Mr W fairly in all the circumstances.

It was clear from the mortgage offers Halifax issued to Mr W and Mrs W that the mortgage was provided under the concessionary scheme. The changes Mr W and Mrs W made to the mortgage were made on an advised basis. They signed forms agreeing to and confirming their understanding of, amongst other things, the nature of the mortgage and its tax implications. And, given Mr W's connection to Halifax it's reasonable to think he understood how the concessionary scheme worked and the relevant policies Halifax had relating to it. In the circumstances, I think Mrs W and Mr W ought reasonably to have known they wouldn't be able to complete an application successfully on-line. But even if I'm wrong about that, I don't think Halifax acted unreasonably or treated Mrs W and Mr W unfairly, as I'll explain.

Mr W and Halifax have provided different explanations about how far Mr W was able to get with the on-line process. Mr W says he'd been offered the rate before he was asked to refer to the MA. Halifax's attempts to replicate the process Mr W would have been taken through didn't get as far as an offer. Either way, Mr W was referred to an MA to take the application forward. So, I don't think the stage he reached on-line substantively affects things. The application couldn't proceed until an MA meeting had taken place.

I can understand it was frustrating when Mr W was unable to speak to an MA on the phone despite trying several times. Halifax have explained that following the mini-budget around that time, demand for fixed rate mortgages was exceptional, making it difficult for customers to get appointments. To respond to the increased demand, Halifax created a new on-line system for concessionary customers like Mrs W and Mr W to access with effect from the end of September. Mr W was able to complete a contact form on the day the system started. Halifax has said call-backs were affected by the high customer demand. They've explained that although their rates changed a few days after Mr W submitted his form, there hadn't been any further changes to the available rates by the time Mr W spoke to someone later

that month.

It's unfortunate rates increased between Mr W's attempt to apply for the rate on-line and the mid-October meeting. But, on balance, it wouldn't be fair to hold Halifax responsible for Mrs W and Mr W ending up with a higher rate than they'd hoped for. That's because Halifax were dealing with an unusual volume of customers due to factors outside their control. They put a system in place to assist Mrs W and Mr W and customers like them access an MA. They spoke to Mr W as quickly as they could after that. And they then issued a mortgage offer promptly. In all the circumstances, although there was a delay, I think Halifax did what they reasonably could to assist Mrs W and Mr W. And I think the apology they gave them was fair and reasonable to put things right in all the circumstances.

We don't generally have the power to look into complaints about complaint handling since it isn't a financial service regulated by the Financial Conduct Authority. Mrs W and Mr W are mainly unhappy Halifax didn't ring to discuss the complaint before sending their written response. I don't think that's related to their underlying concerns about their product switch application. So, it's not appropriate for me to consider it here.

Bearing everything in mind, whilst I understand Mrs W and Mr W will be disappointed, for the reasons I've explained, I don't uphold their complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 8 March 2024.

Julia Wilkinson
Ombudsman