

## The complaint

Miss H complains that Clear Sky Financial Services (Clear Sky) failed to promptly submit a mortgage product switch for her, resulting in her missing out on a more advantageous mortgage rate.

## What happened

Miss H had used Clear Sky on a number of occasions to assist her in obtaining mortgages and switching products. This complaint relates to her own residential mortgage, which at the relevant time, was in three parts. It was the third part Miss H was concerned with as it was coming up for renewal in five months. Miss H first made contact with Clear Sky regarding this element of her mortgage on 31 May and the email exchange which follows is pertinent to her complaint,

Miss H - 31 May

*I have received a letter from Barclays saying I can now arrange the renewal of my second part of my residential mortgage. Thinking it may be prudent to do this now with this recent interest rate increase. Are you able to look into this for me? I'm thinking a 5 year fixed rate again to tie in with part 1. If you need any more information, please do let me know.*

Clear Sky – 31 May

*Yes we will tie it in with the other one. I will have a look at rates and get back to you*

Miss H - 5 June

*I was being quoted a 5-year fixed rate of 4.14% with a £999 arrangement fee when I looked last Wednesday if that helps?*

Clear Sky – 5 June

*The current rate available is 4.99% with a £999 fee which you can add onto the loan. We should hopefully be able to fix both of the remaining parts of the mortgage, meaning you will only pay one £999 fee let me know if you would like to proceed and I will send over quotes.*

Miss H - 5 June

*When I looked at the Barclays rates for existing customers last Tuesday (after my email to you) it was 4.19% with a £999 fee. I have just been back onto their website and there is a notification that the Barclays rates increased on Friday (2 June). If we had fixed my mortgage on the day I emailed you or 2 days afterwards the rate would have been 4.19%.. is that correct?*

Clear Sky – 5 June

*If you take the 2 year fixed rate it is an extra £50 per month, meaning it is costing you an extra £1200 over the 2 year term, however we don't know where rates will be in 2 years time, meaning if they are higher it may end up costing more in the long run*

Miss H - 5 June

*Please can you arrange for 5-year fixed rate products @ the new rate of 4.99% for both outstanding portions of my Barclays mortgage and hopefully you will be able to amalgamate the £999 arrangement fee.*

*Please can you also send me details of your complaint's procedure - unfortunately when I am facing over £2000 in increased mortgage payments which should have been avoided, I have no option.*

Miss H has said she was concerned about the rate increases following media reports of potential rate rises and it is her belief that having initiated contact Clear Sky ought to have secured her a mortgage product before the rates rose again.

On 2 June, the lender withdrew their five-year fixed rate of 4.14% at midnight, before Clear Sky made an enquiry. Miss H complained feeling she had lost out on a deal with a more favourable rate of interest.

Clear Sky investigated Miss H's complaint but didn't uphold it. It said it had not been given an instruction to switch rates immediately for Miss H and their advisor had simply said she would look into the matter and get back to her. They explained they were working to a two working day service level agreement (SLA) and even if Miss H had given such a specific instruction, she would have been unable to secure the rate she wished since the lender changed the rate at midnight on 2 June.

Miss H was unhappy with Clear Sky's final response and so approached this service to see if we could assist in resolving the dispute. Our investigator thought that Clear Sky hadn't done anything wrong and had dealt with the complaint fairly. Miss H didn't agree and asked for the complaint to be passed to an Ombudsman for a final decision.

### **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 know the parties went into a lot more detail than set out in my summary, but I have focussed on what I see as the key issues, because it reflects the nature of our service. We are an informal dispute resolution service and an alternative to taking Court action. So, if I've not mentioned something then this isn't because I've ignored it, it's simply because I don't need to comment on every individual argument to be able to reach what I think is the right outcome. Naturally, I have considered the views of both Miss H and Clear Sky and all the available evidence.

The accepted facts are that in Miss H made contact with Clear Sky on 31 May and the interest rates had change at midnight on 2 June before Clear Sky submitted an application for Miss H.

Miss H's 31 May email was not an instruction to Clear Sky to immediately effect a mortgage product switch. Miss H was notifying Clear Sky that she had received confirmation from the lender that she was able to make a switch. She said she was thinking about whether it might be prudent to do it given the recent interest rate increase. This is not an instruction to submit an application, it is an enquiry of Clear Sky as to the appropriateness of making a switch at that time. The email concludes that if any more information was needed then Clear Sky were to get in touch with Miss H. There was no deadline imposed and the email lacks any degree of urgency. Clear Sky responded on the same day to say that they would be looking into the rates and would get back to Miss H. No deadline or time frame was given by Clear Sky and Miss H did not respond instructing that she wished an application to be made immediately.

There was no further contact until the 5 June when Miss H emailed Clear Sky. If time had been of the essence then I would have expected to see Miss H making contact before then. I appreciate that in her complaint to this service Miss H has said she had assumed Clear Sky was arranging a new mortgage product for her, but the email she sent does not support such a view.

When Clear Sky emailed Miss H on 5 June this was the third working day after she had sent her initial email. By that time, the interest rates had change at midnight on 2 June. Clear Sky's SLA at that time was two working days, which I feel is reasonable given the volume of business they were dealing with at the relevant time. So, I can't say there has been a failure in service levels by Clear Sky.

Our investigator made the point that even if an explicit instruction had been given to Clear Sky on 31 May, which it was not, then there was no guarantee that the rate switch would have gone through prior to the lender increasing the rates. I think that is a fair point, but it is something of an irrelevance given that Miss H didn't give Clear Sky an instruction to complete the switch.

I do understand Miss H now says that had she been told of the two working day SLA to begin with she would have chosen not to instruct Clear Sky and arranged her mortgage switch herself, but I think that is unlikely. As I have said, had Miss H wanted to Clear Sky to apply immediately for a mortgage switch she would have said so in her first email, but she did not.

I also note that Miss H said she spoke directly to the lender on 31 May who quoted her a rate of 4.14% and advising her that she could affect the switch through the 'App' if she wished. As Miss H didn't do that it leads me to the view that she wanted Clear Sky's input or advice first, and that is corroborated by her email.

I think it unreasonable to expect Clear Sky to have responded instantaneously since they have other clients to consider. That brings the question back to what a reasonable period might be for a response to an enquiry such as Miss H's. In my view I think responding on 5 June was fair and reasonable.

I can't say that Clear Sky have acted unfairly towards Miss H here, since they received an instruction to consider a mortgage product switch which they did. The process hadn't gone very far before the rates switched and so Miss H was never going to have been able to switch to the 4.14% rate unless she had done it herself on 31 May. And it is clear that Miss H didn't want to do that herself because when given the opportunity she declined. So, I've not seen anything showing me Clear Sky acted unfairly towards Miss H and I won't be asking them to do anything further about this complaint.

### **My final decision**

For the reasons set out above I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 8 July 2024.

Jonathan Willis  
**Ombudsman**