

## The complaint

Mr D and Mr R complain that Belmont Green Finance Limited trading as Vida Homeloans gave them misleading information about when they could reserve a new interest rate product.

## What happened

In 2021, Mr D and Mr R have a mortgage with Vida. The mortgage had a fixed interest rate for the first 24 months of the mortgage.

On 12 April 2023, Mr D looked at Vida's online portal to consider arranging a new interest rate product. He spoke to Vida and said he was told that if he switched product it would change from "the next available month".

On 14 July 2023, Mr D spoke to Vida again. He arranged to switch to a new fixed rate of 7.79% from 1 November 2023.

Mr D and Mr R complain that Vida gave them incorrect information in April. They understood that the new rate would start the following month, not when their existing fixed rate ended. They consider they've lost out as they could have arranged a new fixed rate in April when lower fixed rates were available.

I issued a provisional decision, which set out my reasons why I was not proposing to uphold this complaint. My provisional findings, which form part of this decision, were:

*On 14 August 2023, Mr D and Mr R accepted an offer of £150 in full and final settlement of the complaint. I am satisfied the offer was set out in a clear, fair and not misleading way and that by accepting it Mr D and Mr R had agreed to settle the complaint. We wouldn't usually look to interfere in that.*

*In any case, I don't consider I could fairly uphold this complaint. I don't consider it would be fair or reasonable to look at one statement in isolation. I have to consider the overall context of the phone call and all of the information given to Mr D and Mr R. Ultimately, it comes down to whether I am satisfied that Mr D and Mr R reasonably relied on the misleading statement from Vida when deciding to wait to switch rates.*

*I have listened to the phone call. I consider that Vida left Mr D with the understanding that if he switched interest rates, the switch would come into effect the following month. It was not just the initial misleading information. For example, Mr D said that "to tie myself into something now when I would not benefit from the last six months of a 2021 rate would be stupid." Vida did not correct that misunderstanding. So I am satisfied that Vida gave Mr D and Mr R incorrect information.*

*Where a business has given incorrect or misleading information, I would usually look to put the affected party back in the position they would have been had they been given the correct information in the first place. The correct position was that if Mr D and Mr R agreed to switch to a new interest rate, the new rate would start when the existing rate finished. But once they*

*had chosen a new rate, they could not change again.*

*I appreciate with hindsight, Mr D and Mr R consider they would have gone ahead with the rate that was available in April. But it is also clear from the phone call that Mr D was unsure whether rates would go up or down and he wanted the lowest rate possible. While we know that the rates available in April 2023 were the lowest available before Mr D and Mr R's rate expired – they would not have known that at the time. And we know Mr D did not believe that rates were certain to go up. There were also a number of other factors he was considering such as extending the term of the mortgage and taking out new borrowing. So on balance I am not sufficiently persuaded that Mr D and Mr R would have decided to go ahead with a new rate in April 2023 had they been given the correct information.*

*Further, we also have evidence that Mr D and Mr R accessed the portal around 15 times between April and July 2023. The information on the portal set out prominently in a clear, fair and not misleading way that if a borrower switched rates, the new rate would start when the current fixed rate ended. So Mr D and Mr R would have had the opportunity to see the correct information a number of times.*

*Overall I don't consider it would be fair or reasonable to say that Vida should do anything else to settle this complaint. Mr D and Mr R have accepted an offer in full and final settlement of the complaint, the evidence we have is not persuasive that they would have switched rates in April had they been given the correct information and they were given the correct information on the portal a number of times.*

*I appreciate that Mr D and Mr R will be very disappointed and I appreciate my decision will have a significant impact on them. But I don't see how I could fairly and reasonably uphold this complaint.*

Mr D and Mr R did not accept my provisional decision. They said they did not see the information on the portal as they were only looking at the interest rates. They said Vida had lied to them and that was “disgusting” during a cost of living crisis.

### **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.

It isn't in dispute that Vida gave Mr D and Mr R incorrect information. Again, I am sorry to hear about the ongoing impact of that on them. But they'd already accepted an offer from Vida in full and final settlement of the complaint. The offer was set out in a clear, fair and not misleading way. I don't consider it would be fair for me to interfere in that. And in any event, for the reasons I set out in my provisional decision, the evidence we have is not persuasive that they would have switched rates in April had they been given the correct information and they were given the correct information on the portal a number of times.

Overall, I don't consider it would be fair for me to require Vida to do anything more to settle this complaint.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mr R to accept or reject my decision before 13 May 2024.

Ken Rose  
**Ombudsman**