

The complaint

Mr K complains that Accord Mortgages Limited won't switch the buy-to-let mortgage he holds jointly with his wife to a new fixed interest rate without his wife's agreement.

What happened

Mr K and his wife have a joint buy-to-let mortgage with Accord. They are going through a divorce, and the mortgage has come to the end of its initial fixed interest rate period. It's now subject to interest at Accord's standard variable rate (SVR), which is significantly higher than the previous fixed rate. Mr K wants to take a new fixed interest rate product in order to reduce the monthly payments and make the mortgage more affordable.

In March 2024 Mr K asked Accord for a new product. He told it that he and his wife were divorcing and that his wife refused to agree to a new mortgage product. Accord said it couldn't complete the product switch without Mr K's wife's permission. Its response remained the same after Mr K complained.

Our Investigator didn't think we should consider this complaint, because both Mr K and his wife are party to the mortgage and Mr K's wife hadn't agreed to the complaint being brought.

Mr K didn't accept that and asked for an Ombudsman's review. The complaint was referred to me. I didn't think it should be dismissed without consideration, so I looked into it. I provisionally concluded that it shouldn't be upheld. I issued a provisional decision to give Mr K and Accord the opportunity to let me have any further evidence or arguments they wanted me to consider before I make my final decision.

My provisional decision

I said:

The Financial Ombudsman Service doesn't look into every complaint that is referred to it. In some circumstances we may decide not to consider a complaint because it's not appropriate for us to do so – such as where the complaint relates to an account which is held jointly and only one of the account holders agrees to the complaint being brought.

Mr K is complaining about a mortgage which he holds jointly with his wife, and to which he wants to make a change. He is complaining, however, about how Accord treated him when he asked for a new interest rate product. I consider that I can fairly determine that complaint on its merits and that it would be inappropriate to dismiss it – but, for the reasons I'll explain, I don't think it should be upheld.

We don't have Mr K's wife's comments about what has happened or her reasons for not wanting a new fixed interest rate on the mortgage – which is a buy-to-let, not a residential, mortgage, and therefore relates to an investment property. While a new fixed interest rate is likely to be lower than the SVR that currently applies to the mortgage, it may not ultimately work out cheaper overall. Accord's fixed rates come with early repayment charges if the mortgage is repaid in full during the fixed rate period. They also come with

initial set-up fees. When Mr K applied for a new fixed rate in March 2024, he asked to have the fee of £1,495 for the new product to be added to the mortgage. The addition of such a fee would increase the mortgage balance and interest would then be charged on the fee.

Mr K's wife is jointly and severally liable for the mortgage, so she would be affected financially by the addition of any fees and extra interest to it. There may be reasons why she didn't want to agree to this. And if I were to require Accord to implement a new fixed rate, as Mr K wants, his wife might make a complaint about that later.

Mr K has said that he and his wife also have a joint residential mortgage with another lender, and that lender has agreed to switch that mortgage to a fixed interest rate without requiring his wife to sign anything. I understand his point about different lenders taking different approaches. I don't, however, know all the circumstances of that product switch, and I don't consider that it affects the outcome of this complaint about Accord in the context of the buy-to-let mortgage and the financial impact on Mr K's wife if I were to require Accord to do what Mr K wants and put in place a new fixed rate.

So, while I realise Mr K will be disappointed, in the circumstances of this complaint I find that Accord hasn't treated him unfairly and I can't reasonably require it to put in place the new fixed interest rate product as he wanted.

Finally, Mr K has said that Accord took longer than it should to send him its final response letter. It apologised for the delay in its final response of 31 May 2024. Complaint-handling isn't a regulated activity covered by the rules of the Financial Ombudsman scheme, and so I can't consider a complaint about this alone.

Neither Mr K nor Accord replied to my provisional decision, despite a reminder.

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.

Neither party has said that they disagree with my provisional decision or made any further submissions for me to consider. So I see no reason to come to a different conclusion, and I confirm my provisional decision – I don't uphold this complaint for the reasons set out above.

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 Mr K to accept or reject my decision before 1 October 2024.

Janet Millington
Ombudsman