

The complaint

Mr A and Mrs D complain that Santander UK plc didn't tell them they could book a new interest rate product on their mortgage and later change it if a better deal became available. As a result, they complain that their mortgage is now on a higher interest rate than they could have had if they had selected a rate earlier.

What happened

Mr A and Mrs D's Santander mortgage was on a fixed interest rate of 2.14% until 2 October 2023. Santander wrote to Mr A and Mrs D a few months before the fixed rate was due to end, inviting them to choose a new interest rate product.

On 5 June 2023 Mr A phoned Santander to discuss the rates it had available. He says he was told he could take a two-year fixed rate with monthly payments of £1,720. He says he then asked whether, if he accepted that rate, he could change his mind later and take another product instead, and Santander told him he couldn't.

Mr A says that when he phoned Santander again in August 2023 the interest rate products it was offering were higher than the one it had told him about on 5 June. Santander also told him that he could take a fixed rate and change to a different one later if he wanted, as long as he did so before the new rate took effect.

Mr A made a complaint. He says that Santander didn't give him the right advice in June, and had he known he could change the interest rate product later if rates fell, he would have selected a fixed rate in June.

In September 2023 Mr A and Mrs D accepted a fixed rate product of 5.9% until 2 January 2026. This rate was applied to their mortgage in October 2023, after the previous fixed rate ended.

In response to the complaint, Santander reviewed the 5 June call and said its agent had given Mr A the right information. It said the agent had told Mr A what rates it had available at the time as he had asked, that they were subject to change, and she hadn't given any advice.

Our Investigator listened to the call in question and said he didn't think Santander had given Mr A wrong information. He sent a recording of the call to Mr A, and didn't recommend that the complaint should be upheld.

Mr A didn't accept that conclusion, so the complaint has been referred 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.

Having done so, and having listened carefully to the recording of Mr A's call with Santander on 5 June 2023, I find I can't fairly uphold this complaint.

I'm satisfied that Santander's agent was clear on the call that she wasn't giving Mr A any advice, but she could tell him what interest rate products were available at the time and an indication of what that would mean for his and Mrs D's monthly mortgage payments if they were to choose one of those rates. Mr A asked for information about two-year fixed rates, and the agent gave information to him about those rates. The agent also said several times that rates were subject to change.

The call lasted for less than 15 minutes, and towards the end of the call Mr A asked whether, if he went ahead with the 4.56% fixed rate the agent had told him about, it would be booked in and would be applied to the mortgage in October when the existing fixed rate ended. The agent confirmed that it would if he accepted that particular interest rate product. She also said:

"if you don't change it now, then it probably is going to be different, but if you get your product secured in place and you've accepted the new product offer that we send out to you, then yeah, that's the one that will stay unless you change it."

She then reiterated that rates were subject to change, and that the 4.56% deal may not be available when Mr A got back in touch.

This was the right information. The agent answered Mr A's questions. She also said she couldn't provide advice about what he should do or what the most suitable mortgage deal would be – but she could put him through to a mortgage advisor if he wanted advice. She didn't tell him he couldn't choose a different product later if rates fell; on the contrary, she said that if he accepted a rate that would be the one he would get "unless you change it".

It's unfortunate that Mr A and Mrs D have a higher interest rate on their mortgage than the one they could have had if they had applied for the 4.56% rate in June, but I don't think that's because Santander did anything wrong. I think it's clear from the content of the call that Mr A was considering his options in June, including whether to try to change the mortgage to interest-only or extend the term, as well as considering a rate switch. I don't consider that Santander misinformed him or misled him on the call, so I can't fairly require it to apply or backdate the lower interest rate.

I note that Mr A says he has asked Santander for recordings of the other calls he had with it in 2023. He hasn't provided those to us, but in any event I can't see that they're relevant to my consideration of this complaint, which is specifically about the 5 June call – and that's what I've considered here.

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 A and Mrs D to accept or reject my decision before 27 December 2024.

Janet Millington
Ombudsman