

The complaint

Mr G and Miss G complain that they were unable to get through to a mortgage adviser with Lloyds Bank PLC on 29 September 2022 and so missed out on a favourable interest rate that was no longer available when they did make contact in early October 2022.

What happened

Mr G and Miss G saw a fixed rate mortgage product that they wished to avail of with Lloyds and attempted to contact the bank on 29 September but after five hours of trying were unable to get through to a mortgage adviser. Mr G and Miss G made a complaint on the same date and tried to contact another employee who had arranged a staff mortgage for them before. A lady in complaints told Miss G that other staff had a similar issue but that she would get a code to show she had tried to get through on the day and that the rate she wanted of 3.26% would be honoured. The rates changed on 1 October and the rate they wanted was no longer available when they got an appointment on 4 October when Mr G and Miss G began an application, completed on 10 October for a rate of 4.2%.

As Mr G and Miss G heard nothing further about their complaint, they contacted Lloyds in early October when it was clear that Lloyds wouldn't honour the rate they wanted. Lloyds says that it couldn't honour historic rates as it could only make recommendations for products available during the course of an application. It offered £50 compensation for the incorrect information. Our investigator recommended that this complaint be upheld in part as Lloyds was responsible for misinforming Mr G and Miss G about its ability to apply historical interest rates and that Lloyds should pay £150 in total compensation to Mr G and Miss G. Mr G and Miss G disagreed saying in summary that they should have got the rate that was available when they tried to get through on 29 September 2022.

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.

The core of this complaint is that Mr G and Miss G were unable to make contact with a Lloyds mortgage adviser on 29 September and missed out on an interest rate that was available then although they secured the rate that was available a few days later at a higher rate of interest. I've no doubt that Mr G and Miss G made great efforts to get through on that day but were unable to. The reason for that, I understand, was the great volumes of calls that Lloyds was receiving that day and I expect that was related to the rise in the Bank of England base rate which occurred shortly before that.

In order to get the rate they wanted, Mr G and Miss G required not only to get through to Lloyds but then get an appointment with a qualified mortgage adviser and get a recommendation from that adviser, following an assessment, for the mortgage they wanted. Lloyds was unable to facilitate an appointment for Mr G and Miss G on the day they tried to get through. We would expect Lloyds to arrange appointments within a reasonable period

and I see that within a few days Mr G and Miss G did get an appointment and that seems reasonable

It's not our role to tell Lloyds what resources it should direct towards answering phone calls. It's a commercial entity and that's a matter for the bank. We can require that Lloyds customers should have access to a financial service including a mortgage appointment within a reasonable period. But that doesn't mean that it has to be on the same day that the customer first tries to contact the bank. In this case Mr G and Miss G got that appointment not on the day they wanted it but within a reasonable period which was in fact a few days later. Unfortunately, they missed out on a more favourable mortgage rate that lapsed in the meantime but Lloyds provided the service within a reasonable period which is what we would require. Presumably had Mr G and Miss G acted earlier and tried to book the appointment some days previously they might have been able to get an appointment before the end of the month and get the rate they wanted.

So, even though Mr G and Mrs G didn't get an appointment on the 29 September I don't consider that Lloyds did anything wrong. When they got the appointment, the adviser advised them with reference to interest rates current at the time and not historic rates. Interest rates had changed in the meantime and the interest rates that were available in September were simply not available in October so I would expect the adviser to deal with the October rates. I see that some confusion was caused, by I understand a complaints adviser, suggesting that the interest rates could be carried over in some way. But that was incorrect information which may have built up Mr G and Miss G's hopes but was incorrect. For that I accept that Lloyds should pay compensation of £150 not £50 and for that reason I will be upholding this complaint. But otherwise, I don't consider that Lloyds did anything wrong.

Putting things right

Lloyds Bank PLC should pay Mr G and Miss G £150 compensation.

My final decision

My decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Miss G to accept or reject my decision before 25 May 2023.

Gerard McManus
Ombudsman