

The complaint

Mr J complains that he wasn't able to contact OneSavings Bank Plc trading as Kent Reliance, when his existing mortgage deal was coming to an end. He wanted to remortgage, and was worried as rates were continually increasing, but Kent wouldn't get in touch.

What happened

Mr J asked us to look into his complaint in mid-November 2022. He needed to remortgage, as his existing mortgage deal was ending soon. He said he hadn't been able to log into his mortgage account online. He'd repeatedly tried to contact Kent about this. He'd emailed a number of times, but never received anything other than an automated reply. He told us he'd also repeatedly called, and but he just stayed at around the same position in the queue (with almost a hundred callers in front of him) until the close of business, when his call was cut off.

Mr J said interest rates had risen, and continued to do so. He feared that the mortgage he would get now would be much more than he could have secured earlier. And he said that because Kent wasn't replying to him, it looked as if he'd have to remortgage with a different lender, which would cost him around £500 in fees and solicitors costs.

Mr J then contacted us again, to say he'd been back through his emails, and could see he'd contacted Kent in August, October and twice in November, as well as calling, but Kent never responded. He said he'd made a formal complaint on 1 October, but he'd had no response to that either, just letters saying Kent couldn't deal with his complaint yet.

Kent sent Mr J its complaint response letter on 16 December. That letter said Kent was sorry about the level of service it had provided to Mr J.

Kent said it sends a letter to its customers around three months before their old mortgage product expires, telling them how to take out a new deal. There had been delays in sending that letter to Mr J. And because of the volumes of work it had been dealing with, it hadn't been able to respond to Mr J earlier. It could see he was in touch on 4 August, and it had failed to respond to him by email, as he'd requested. Mr J chased for an update on 1 October, and sent more emails throughout November 2022. Mr J's new mortgage was reserved for him on 2 December 2022.

Kent said this remortgage had been completed on time and Mr J's account hadn't been impacted. But it paid him £75 to say sorry that it had failed to respond to his emails.

Mr J said he hadn't received this payment, or the letter. And he didn't think £75 was enough to make up for what had gone wrong.

Our investigator asked Kent some questions about when Mr J could have remortgaged, and the rate which would have been available to him at this time. Then she said she thought this complaint should be upheld.

Our investigator accepted that Mr J had tried repeatedly to contact Kent about switching his mortgage, starting in August 2022. But Kent didn't respond, or reserve Mr J's new mortgage interest rate, until 2 December.

Our investigator said, as Kent allows its customers to choose a new mortgage rate three months before the old rate expires, it should have allowed Mr J to choose a new rate at the end of September. And if it had done so, Mr J would now have a rate of 5.54%, not 6.24%.

Our investigator said Kent should rework Mr J's mortgage, to apply a rate of 5.54% from the date that his new rate of 6.24% had been applied. And Kent should refund the difference for the payments Mr J had made on the higher rate so far, with 8% statutory interest.

Our investigator also said Kent caused Mr J a lot of worry as rates were increasing rapidly during this time. Mr J didn't know when he could select a new rate or if he was going onto Kent's Standard Variable Rate (SVR). So she said Kent should increase its compensation payment to £150.

Mr J accepted, but Kent didn't. Kent said Mr J's account doesn't have online access. The letter it sent told him he needed to complete and return a paper form. The website address it gave Mr J, to look up products available to him, also confirmed the application for his remortgage was paper based.

Kent accepted it hadn't replied to Mr J in August, but said if it had done, it would just have told Mr J that it would write to him around three months before his existing product ended.

Kent said the earliest Mr J could have secured a new mortgage product, if he didn't want to pay the early repayment charge on his old mortgage, would have been on receipt of the letter dated 11 October 2022. And any new product would then only start on 1 January 2023.

Our investigator said Mr J's emails requesting help still went unanswered. Kent had written to Mr J on 11 October, but he was eligible for a new rate three months before 31 December 2022, so she asked why this letter hadn't been issued at the end of September. Kent didn't respond to these queries, and our investigator didn't change her mind. So this complaint came to me 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've reached the same overall conclusion on this complaint as our investigator.

Kent has shown us Mr J remortgaged with an interest rate of 6.24% fixed for two years. And it's also told us that, if Mr J remortgaged between 15 September 2022 to 6 October 2022, he could have obtained a rate of 5.54% for the same fixed term period.

Kent's letter to Mr J, which told him how to remortgage, was issued on 11 October 2022. The complaint response letter which Kent later sent to Mr J acknowledges there was a delay in issuing this letter. So I think it's reasonable to conclude this letter should have been issued by the end of September.

It's also clear that Mr J was already concerned about his remortgage at this time. He'd emailed Kent to try to find out how to remortgage, and he tried again to get Kent to help on 1 October. So I think if this letter had been issued earlier, and if Kent had responded to Mr J's

enquiries at the time, then Mr J would have secured a rate of 5.54% for the two years starting from 1 January 2023.

That's why I think our investigator was right to say Kent should now rework Mr J's mortgage, as if it went onto a rate of 5.54% on 1 January 2023. And it should repay to Mr J any overpayments he's made to date, as a result of being on the higher rate, plus 8% simple interest on that refund, from the date of payment to the date the refund is made. I think that provides part of a fair and reasonable outcome to this complaint.

Our investigator also noted how stressful Mr J had found this process. I think Mr J's contact with Kent, and then with our service, demonstrates how very concerned he was by not being able to secure his remortgage at the earliest possible opportunity, and the worries he had about rising interest rates. For those reasons, I also think that Kent should increase the compensation payable in this case. I think a payment of £150 would provide part of a fair and reasonable outcome in this complaint, so I will require Kent to pay that amount in total.

Kent says it has already paid Mr J £75 in this case, but Mr J said he hadn't received that. It's possible the payment was just delayed, so I'll allow Kent to count towards this award any payment it has already made to Mr J for this complaint.

My final decision

My final decision is that OneSavings Bank Plc trading as Kent Reliance must rework Mr J's mortgage, so that it went onto its rate of 5.54% on 1 January 2023, fixed for two years, and must pay Mr J interest at 8% simple on any overpayment he has made, calculated from the date of each overpayment to the date the refund is made.

HM Revenue and Customs requires OneSavings Bank Plc trading as Kent Reliance to take off tax from this interest. OneSavings Bank Plc trading as Kent Reliance must give Mr J a certificate showing how much tax it's taken off if he asks for one.

OneSavings Bank Plc trading as Kent Reliance must also pay Mr J a total of £150 in compensation. It can count towards that amount, any payment it has already made to Mr J for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 11 August 2023.

Esther Absalom-Gough

Ombudsman