

The complaint

Mr and Mrs P complain that delays caused by Bank of Scotland plc (trading as Halifax) led to them having to pay a higher interest rate on their mortgage.

What happened

Mr and Mrs P took out a mortgage with Halifax in 2018. In December 2020 Mr and Mrs P took out a new interest rate product of 2.18% which was fixed until 30 April 2023.

On 30 September 2022 Mrs P called Halifax to discuss the interest rate on the mortgage. She said she wanted to review the rates as they were increasing and wanted to see if there was something they could switch to now. Halifax told her that if they switched rate before February 2023, they would need to pay an Early Repayment Charge (ERC) as their current rate wasn't due to end until 30 April 2023.

Halifax went through the rates that were available that day and explained Mrs P would need to have a discussion with an adviser before they could proceed. They discussed a five year fixed rate of 3.49%. Halifax explained there was an hour and a half wait for a mortgage adviser, and a Key Facts Illustration document would need to be produced by an adviser to secure the rate that day. Mrs P waited on hold for a mortgage adviser, but the call was disconnected. She called back twice more. The same thing happened again, and then when she called again at 7.00pm, a call back was arranged for the following day so that an appointment could be booked with a mortgage adviser.

The interest rate products Halifax offered changed on 1 October, so the rate Mr and Mrs P wanted was no longer available. During the conversation Mrs P had with a Halifax mortgage adviser on 3 October, it became apparent that Halifax did not have Mr P's correct date of birth on file. Halifax said they were unable to proceed until Mr P had visited a branch and presented some identification to confirm his date of birth. Once that was done, Mr and Mrs P received a recommendation from Halifax to take out a rate of 4.37% fixed until 31 January 2028.

Mr and Mrs P complained. They were unhappy Mrs P was on the phone all day on 30 September trying to get through to Halifax to secure their new rate whilst she was at work. She said Halifax had guaranteed she'd be able to get the rate discussed (3.49%), and so was disappointed when Halifax wouldn't honour that rate. They also complained that Halifax had the wrong date of birth on record for Mr P, and that this hadn't been verified earlier.

Halifax issued their final response letter on 5 December 2022. They said they were only able to recommend products that were available at the time an application is completed. They said they were sorry for the delays Mrs P experienced but due to high levels of demand they were getting significantly more calls than normal, and as a result they weren't able to answer Mrs P's calls sooner. They said they were aware some mobile networks were cutting calls off after a certain period of time. They said Mr and Mrs P's original mortgage application was submitted by a broker, and they don't cross reference information such as the customer's date of birth when a broker application is made, as they rely on the broker to provide the correct information.

Our Investigator considered the complaint, but she didn't think Halifax had treated Mr and Mrs P unfairly. Mr and Mrs P disagreed, so the complaint's been passed to me to issue a 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.

Mr and Mrs P were unable to apply for their rate switch online as they were already tied into a product, and if they wanted to switch early, they'd need to pay an ERC. Halifax's policy states when that is the case, the borrowers must speak to a mortgage adviser before switching. Given that switching early would incur additional costs Mr and Mrs P must pay, I don't think it was unreasonable that Halifax wanted Mr and Mrs P to receive advice before making that decision. Halifax's policy also said that any ERC would need to be paid upfront and couldn't be added to the mortgage, so arrangements would need to be made about how Mr and Mrs P would do that too.

Unfortunately, on the day that Mrs P wanted to speak to a mortgage adviser about switching products, Halifax were experiencing an extremely high volume of calls and so the wait times to get through to an adviser were significantly longer than usual. Mrs P's phone would disconnect after being on hold for some time, and so unfortunately, she was unable to get through to an adviser on 30 September despite calling multiple times, and had to wait until 3 October to get an appointment. Whilst I can appreciate Mrs P's disappointment that she was unable to speak to an adviser on the same day she called on 30 September, the economic climate at that time following the mini budget had resulted in a sudden increase in call volumes. I'm not persuaded it was a result of anything Halifax had done wrong that Mrs P was unable to speak to an adviser that day.

At the time, the Bank of England base rate had recently increased, and mortgage lenders were increasing the rates available to their borrowers too. Interest rates were being reviewed regularly, and unfortunately by the time Mrs P spoke to an adviser the rates Halifax were offering had increased. I understand Mrs P's frustration that she missed out on the rate she wanted, as she had done all she could on 30 September to speak to someone and secure her rate. But ultimately, lenders are entitled to review and change their rates regularly, and given the timing these interactions occurred, it was an unfortunate set of circumstances which led to Mr and Mrs P having to switch to a higher rate than the one they wanted.

Mrs P has said she was guaranteed the rate she discussed with a Halifax call handler on 30 September. I've listened to recordings of the calls she had that day, and Halifax told Mrs P very clearly that the rate would not be guaranteed until she had spoken to a mortgage adviser and an illustration for the new rate had been produced. So I'm satisfied Halifax had not told Mrs P she was guaranteed any particular rate. As the rates had changed when Mrs P spoke to the mortgage adviser, I'm not satisfied Halifax were acting unfairly by not offering Mrs P a rate that was no longer available.

Mr and Mrs P are also concerned that Halifax had the incorrect date of birth recorded for Mr P on their files. This resulted in Mr P having to go into branch and provide proof of his date of birth before the new rate could be secured. I've seen Mr P's date of birth had been submitted incorrectly on Mr and Mrs P's original mortgage application. Mr and Mrs P applied for their mortgage via a broker, and so Halifax had no input in the original details submitted. I've seen that on 4 June 2018, Halifax sent Mr and Mrs P a copy of the application form they'd submitted via their broker. The letter asked Mr and Mrs P to check the form and let Halifax know if there were any errors or any changes that needed to be made. Mr P's date of birth was recorded incorrectly on that form, but Halifax weren't made aware it was wrong. They only became aware it was wrong during the application for a rate switch in 2022.

Halifax's policy stated that Mr P needed to provide identification to ensure they had the correct date of birth before they could agree to the rate switch. Whilst I appreciate this

caused an inconvenience to Mr P, and a delay in completing the rate switch, it was not Halifax's error which led to him having to do that. At the time of the initial mortgage application, Halifax were entitled to rely on the verification provided by the broker, and they asked Mr and Mrs P to check the information was correct.

Overall, whilst I appreciate Mr and Mrs P's frustrations, I'm not satisfied they've been treated unfairly by Halifax.

My final decision

Considering everything, for the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 21 March 2024.

Kathryn Billings
Ombudsman