

## **The complaint**

Mr and Mrs G complained that HSBC UK Bank Plc failed to process their remortgage application. They thought this happened because of technical problems with HSBC, and said they were paying a much higher interest rate because of this.

## **What happened**

Whilst this complaint is brought by both Mr and Mrs G, as the mortgage is in both their names, our dealings have been with Mr G. So I'll mainly refer to him in this decision.

Mr G told us he'd applied to switch his mortgage to a new fixed rate at the start of April 2023. Mr G received an offer to fix his mortgage rate for five years at 3.94%. This offer said it had to be accepted online, and explained that HSBC would then acknowledge this acceptance. The offer also said it expired on 16 April 2023.

Mr G said he accepted the offer, but when he got back in touch with HSBC later, it said it couldn't find any record of him accepting this. So the offer hadn't been applied to his mortgage, and it had since expired.

Mr G said that when he clicked the accept button, it just kept spinning round. So he thought the problem must have been a technical issue at HSBC. Mr G has since secured a higher fixed rate mortgage, but he wanted HSBC to give him the rate he'd been offered in April.

HSBC said it had checked, and there weren't any records of a technical problem on its end at the time when Mr G said he'd accepted the offer. It said if this was a technical problem with its systems, it would have affected more applications. So HSBC said it would have been aware of this if something like that had gone wrong.

HSBC didn't think it had caused this problem, and it said Mr G could have tried again, or he could have called, if he couldn't see the application had been accepted. It wouldn't give Mr G the rate he'd applied for earlier. HSBC offered Mr G £100 in compensation just for the delay in replying to him, which he turned down.

Mr G still thought the problem was with HSBC, and he said HSBC had told him it had no records of his mortgage application. He said he was much worse off, around £500 per month, because of what had gone wrong. And he said the reason for that was that HSBC's mortgage application system has inadequate records of mortgage applications.

Mr G was also unhappy about how HSBC had handled his complaint. He said it gave him conflicting information about what it was going to do, and it took too long.

Our investigator didn't think this complaint should be upheld. He said HSBC did have a record of Mr G's application starting, and it had sent him an offer on 3 April 2023. Our investigator said that the offer included the following sections -

*“This offer, which includes the Mortgage Illustration, sets out the terms on which we, HSBC UK Bank PLC offer to switch the interest rate on the above loan account(s). If accepted by you, this rate switch offer will vary the terms of your existing mortgage agreement. All other mortgage terms and conditions will remain the same.”*

*“You’ll need to accept your offer before it expires, or the product(s) shown in the Mortgage Illustration may not be available.”*

*“Once you have accepted this offer, and we have acknowledged this, there’s no right of withdrawal other than the right to repay in accordance with the terms of the Agreement.”*

*“One you have accepted the offer and we have acknowledged that this has been successful, this offer will operate as a variation to the Agreement between us and the date of the variation will be the date on which we provide the acknowledgment.”*

Our investigator said he thought the offer had clearly explained both that Mr G needed to accept the deal, but also importantly, that HSBC would also send an acknowledgement once the rate change had been successful. And he said he couldn’t see HSBC had acknowledged that Mr G’s rate change had been successful.

Our investigator noted that when Mr G called to complain about the offer not being applied, he said although he’d clicked accept, the button then just kept spinning. Our investigator said he was satisfied that HSBC had checked it didn’t have a technical issue at the time.

Our investigator said Mr G may well have accepted the offer, but he didn’t get any acknowledgement of that from HSBC, which his offer told him to expect. Our investigator said he couldn’t hold HSBC responsible for Mr G’s application not completing and being accepted, so he wouldn’t ask it to make changes to Mr and Mrs G’s mortgage now.

Our investigator said HSBC had offered £100 for the delays in providing a response, and that was in line with what our service would offer in the circumstances.

Mr G replied to disagree. He said our investigator hadn’t acknowledged that HSBC’s system had no way of tracking his application even though, it said, he didn’t accept the offer. He said HSBC should have a way to track, and see if the relevant button had been pressed to accept the offer.

Mr G said he also thought the language in the offer was misleading, and he wasn’t sure if he should see more in the way of “*acknowledgment*”. Our investigator didn’t change his mind. So, as no agreement was reached, this case then 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.

I’ve listened to the call Mr G had with HSBC when he made his complaint, and I can hear that HSBC’s agent said initially she couldn’t see an application or an offer for Mr G. But she went on to explain that if the offer Mr G received had expired, then it wouldn’t be visible to her on the screen she was looking at. I don’t think that means HSBC has no records of Mr G’s application. It has shown us that it has.

Mr G said he thought HSBC should have a proper way of tracking an application. But I think it does have that. It can see Mr G made this application, and on HSBC's system it then shows as having lapsed without being accepted. I don't think what's gone wrong here has happened because HSBC's online system doesn't provide a more detailed history than this.

Mr G told us he had accepted the offer he received on 3 April, but he says there may have been some problem then, with the web page not accepting this input. HSBC says it has checked, and it has no records of any technical problems at that time. It has also said if it did have such problems, then it would expect them to affect a lot of customers. I think that's likely to be right. So I don't think it's likely that any problem with Mr G's acceptance of his offer was caused by HSBC's systems.

Like our investigator, I do think the offer issued to Mr G was clear that it not only needed to be accepted, but that HSBC would then acknowledge this. Mr G said he did accept, so it seems likely that Mr G read the offer. And we know HSBC didn't acknowledge Mr G's acceptance. I think that could have alerted Mr G to the fact that his acceptance hadn't been processed.

Mr G also said that when he pressed accept, the button just kept spinning. So no new page then loaded, showing Mr G that his acceptance had been received. Again, I think that could have alerted Mr G to the fact that his acceptance hadn't been processed.

So, in summary, I do think HSBC had made clear that Mr G needed to accept this offer, and also that there was a deadline for that. I haven't been able to see that Mr G's acceptance reached HSBC before the deadline. I haven't been able to see that this was HSBC's fault – so I don't think HSBC knew this had gone wrong. But I do think there were opportunities for Mr G to realise that this had gone wrong.

In these circumstances, I don't think it would be fair and reasonable for me to require HSBC to apply the rate that it offered in April 2023, to Mr and Mrs G's mortgage now.

Mr G said he was unhappy with the length of time it had taken HSBC to reply to his complaint, and he said it had given him conflicting information. I can hear that it took a little time on the call to clarify that HSBC did have a record of Mr G's offer, but didn't have any record of that offer being accepted. HSBC then said it would check if this was a problem at its end. HSBC has done that, and the results are as set out above. I've explained that I don't think HSBC's conclusions here are unreasonable. But HSBC said it was sorry about how long this had taken, and it has offered Mr G £100 to say sorry for that. I think that provides a fair and reasonable outcome to this part of Mr and Mrs G's complaint, and I'll ask HSBC to pay that now, if it hasn't done so already.

I know that Mr and Mrs G will be disappointed, but I don't think HSBC has to do more here than it has already offered to do.

### **My final decision**

My final decision is that HSBC UK Bank Plc must pay Mr and Mrs G the sum of £100 in compensation that it previously offered, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 30 April 2024.

Esther Absalom-Gough  
**Ombudsman**