

The complaint

Mr W and Mrs W complain that National Westminster Bank Plc agreed to extend the term of their mortgage without requiring them to meet with a mortgage adviser. It had previously said this was necessary. Mr W has dealt with the complaint.

Mr W asks for an apology, compensation and for NatWest to train its staff better.

What happened

In mid-2022 Mr W asked NatWest to extend the term of Mrs W and Mr W's mortgage by nine years. This would take the term up to his 70th birthday. He brought a complaint to this service that NatWest required a meeting with a mortgage adviser to do this. In January 2023 NatWest agreed to extend the term of Mr W and Mrs W's mortgage without a meeting with a mortgage adviser. Mr W asked that we look into his complaint again.

Our investigator said we'd already dealt with Mr W's complaint that NatWest required a meeting with a mortgage adviser, and we wouldn't look into that complaint again.

Our investigator said we can look into Mr W's new complaint, that NatWest agreed to extend the term of the mortgage without a meeting with a mortgage adviser. The complaint proceeded on this basis.

Our investigator said NatWest hadn't been unfair when it agreed to extend the mortgage without Mr and Mrs W meeting with a mortgage adviser.

Mr W didn't agree.

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 must first be clear that I'm not looking into or making any findings about Mr W's previous complaint that NatWest required a meeting with a mortgage adviser for it to consider his request for a term extension. I'm only considering his complaint that it agreed to a term extension without a meeting with a mortgage adviser.

In January 2023 NatWest agreed to extend the term of Mr and Mrs W's mortgage without a meeting with a mortgage adviser. It made it clear to Mr and Mrs W that the extension was offered without advice and that they wouldn't benefit from it assessing the suitability of the variation.

Mr W says due to his area of work he has the expertise to understand how a term extension would impact the mortgage, including the additional costs. He says it was because he was able to provide the FCA guidelines and talk NatWest through it repeatedly that it agreed to the extension. Mr W says what's most important is that he's able to meet his mortgage payments.

In the circumstances, I don't think it was unfair for NatWest to agree to extend the term of Mr and Mrs W's mortgage without a meeting with a mortgage adviser.

Mr W referred to guidance issued by the FCA in March 2023 about how lenders can support customers facing higher mortgage payments and other increases in the cost of living. Mr W says he was "ahead of the game" when he requested a term extension. The guidance Mr W refers to was issued some two months after NatWest agreed to Mr W's request for a term extension. So I can't see that it changes the outcome of this complaint.

Mr W says NatWest should have agreed to his request for a term extension sooner, rather than cause delays and upset for four months. If what he means is that it should have agreed to extend the mortgage without a meeting with a mortgage adviser, that's not something I can look into here. As I said, I'm not looking into or make findings about Mr W's previous complaint that NatWest required a meeting with a mortgage adviser.

I don't think that NatWest unfairly delayed considering Mr W's request for a term extension. NatWest had a process for considering such requests. This might not have been Mr W's preferred option. But if Mr and Mrs W wanted a decision about a term extension sooner, they could have arranged to meet with a mortgage adviser.

I don't think NatWest made an error or treated Mr and Mrs W unfairly when it agreed to extend the term of their mortgage without a meeting with a mortgage adviser. It follows that I don't think it's fair and reasonable to require NatWest to apologise, pay compensation or take further steps regarding this matter.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W and Mr W to accept or reject my decision before 29 March 2024.

Ruth Stevenson
Ombudsman