

The complaint

Mr and Mrs T complain that an appointed representative of HL Partnership Limited failed to apply for the lower interest rate mortgage product they wanted. They say they will pay more interest as a result and ask for compensation.

What happened

Mr and Mrs T's mortgage product was due to expire on 2 March 2023. They took advice from HLPL and it recommended they take out a five-year fixed rate product with their lender. HLPL applied for this on behalf of Mr and Mrs T and they accepted the product transfer offer in December 2022.

HLPL told Mr and Mrs T their lender would allow them to change the product up to 14 days before their new product was due to take effect.

HLPL sent Mr and Mrs T an email in January 2023 saying a five-year product with a lower rate had become available. It asked if they'd like to proceed with the lower rate. Mrs T replied to say they would. She also asked about two-year products, saying she was concerned about being tied in for five years. There was further discussion by email over the next week about available rates, monthly payments and product fees for various products. On 17 February 2023 Mrs T emailed saying they wanted to switch to a two-year fixed rate product. This was after the lender's time limit to change the product.

HLPL said it hadn't changed the product, as it was waiting for Mr and Mrs T to confirm what they wanted to do. Mr and Mrs T say they had confirmed they wanted the lower five year rate, and their questions about other rates were a separate matter. Mr and Mrs T also say HLPL should have reminded them of the deadline.

Our investigator said HLPL hadn't made an error. While Mr and Mrs T initially accepted the product they also asked about two-year products. HLPL made it clear it wouldn't proceed until Mr and Mrs T confirmed what they wanted to do. By the time they did, the lower rate product was no longer available. Mr and Mrs T 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.

Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mr and Mrs T had accepted a product transfer recommended by HLPL in late 2023. HLPL told Mr and Mrs T that the lender would allow them to switch products up to 14 days before the product was due to take effect (on 3 March 2023).

On 25 January 2023 HLPL contacted Mr and Mrs T to say that the lender had a five-year

product available with a lower interest rate. It asked Mr and Mrs T if they'd like to proceed. The discussion continued as follows:

Mrs T: Thanks – yes please anything is better. Just out of interest does it have to be a five year fixed rate? My concern is being tied in for five years if the rates do come down, but it is difficult to know.

HLPL: No problem, we will get this switched onto the lower rate. We can look at the 2-year fixed rates but these are currently higher than the 5 years – would you like the 2 year option? If so I will come back to you with this before making any changes.

Mrs T: If you could let us know about the 2 year or even a tracker that would be good. Thanks.

HLPL: The 2 year fixed is currently 4.77%. Let me know your preference and I'll get this switched over.

HLPL provided more information over the next week about the products that were available. It sent emails on 7 and 13 February 2023 asking if Mr and Mrs T had made a decision.

On 17 February 2023 Mrs T emailed to say they'd decided on a two-year rate. Unfortunately, this was after the lender's deadline to change the product.

HLPL hadn't made any changes – so the product Mr and Mrs T accepted in December 2022 took effect on 3 March 2023. HLPL says it was waiting for Mr and Mrs T to confirm what they wanted to do before making any changes.

Mr and Mrs T say they told HLPL they wanted to switch onto the new five-year product and assumed it had actioned this. They say their enquiries about a two-year or tracker product were a separate matter, and they could have made a further switch if they'd decided to take out a two-year product.

I don't think it's fair to say that Mr and Mrs T's enquiries about two-year or tracker products were separate or irrelevant, especially as they expressed concerns about being tied in for five years. I think it was right for HLPL to ask them to confirm what they wanted to do, and to provide the information they requested about the available products to help them do this.

HLPL's email on 25 January 2023 could have been clearer. It started by saying "we will get this switched onto the lower rate." I can understand why Mr and Mrs T say they read this as confirmation HLPL would go ahead with the switch. Had the email ended there, I'd agree. But the email went on to say if Mr and Mrs T wanted the two-year option "I will come back to you with this before making any changes". I think this ought to have alerted Mr and Mrs T to the fact that HLPL wouldn't make the switch if they wanted to look into two-year products.

If Mr and Mrs T wanted to go ahead with the new five-year product they could have said this when they replied. Instead, they asked for information about two-year and tracker products.

When Mr and Mrs T applied for a new product in late December 2022 they received documents, such as the key facts illustration and product transfer offer. They were asked to accept the product transfer offer. I think Mr and Mrs T ought reasonably to have expected to receive similar documents if the product had been switched. I think, if they thought the product had been switched in late January 2023, they ought to have questioned why they didn't receive any confirmation of this or documents that reflected the new product.

Mr and Mrs T say HLPL ought to have reminded them of the 14-day deadline. HLPL told Mr

and Mrs T in December 2022 that the product would take effect on 3 March 2023 and they could switch up to 14 days prior to this if a better rate became available. While it didn't remind them of the deadline, HLPL sent emails in February 2023 asking if Mr and Mrs T had made a decision. If they weren't sure of the deadline they could have asked. HLPL acted promptly to contact the lender when Mrs T said they wanted a two-year rate. In the circumstances, I can't fairly find that HLPL was responsible for the deadline being missed.

I understand Mr and Mrs T's frustration that they missed the opportunity to take out a lower interest rate product. But I don't think this was due to an error by HLPL. In the circumstances, I don't think it's fair and reasonable to require it to pay compensation to Mr and Mrs T.

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 Mr T and Mrs T to accept or reject my decision before 11 June 2024.

Ruth Stevenson
Ombudsman