

The complaint

This complaint is about a mortgage Mr D held until recently with Clydesdale Bank Plc trading as Virgin Money. The mortgage was in two parts, each with a different interest rate product. The two products had different end dates; one was in October 2022, the other in January 2023. The essence of Mr D's complaint is that Virgin misled him about the later end date when he was trying to replace the two different products with one covering the whole mortgage.

What happened

By way of a provisional decision dated 25 March 2024, I set out my provisional conclusions on this complaint. The following is an extract from the provisional decision.

"The above summary is in my own words. The basic background to this complaint is well known to both parties so I won't repeat the details here. Instead I'll focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

Our investigator was satisfied Virgin hadn't at any stage misled Mr D about the end date. But the investigator also concluded that in a phone conversation on 19 December 2022, Virgin's call handler missed an opportunity to tell Mr D he could apply for a new rate on both parts of the mortgage there and then, which would take effect from 1 February 2023. What Mr D in fact did, was re-mortgage to a new lender, which I'll call H.

The investigator said Virgin should provide details of the rates that Mr D could have chosen from if he'd been encouraged to have that conversation on 19 December. If an otherwise comparable product would have been cheaper with Virgin, it should reimburse the difference compared with what Mr D is now paying to H. He also said Virgin should pay Mr D £100 compensation for his time and trouble.

Virgin didn't accept the investigator's recommendation; it pointed out that Mr D's application to re-mortgage elsewhere was already underway and he'd said as much in the 19 December 2022 conversation. That being so, Virgin didn't consider it was at fault in not suggesting he look at securing a new rate at that point.

The case came to me to review. After assessing the evidence, I considered it necessary to know what rate products Mr D might have been able to choose from on 19 December 2021 as well as details of the product he took with H. We now have that information.

What I've provisionally 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 and/or contradictory, I'm required to reach my decision on the basis of what I

consider is most likely to have happened, on the balance of probabilities. That's broadly the same test used by the courts in civil cases.

Central to this case is Mr D's mistaken belief that the later end date was March 2023 when it was actually January 2023. Having considered everything that both parties have said and provided, I can understand why Mr D had formed that belief; the product he'd taken was what was generically known as a two-year deal, and had started in March 2021.

However, the application process had begun before then, and all of the point of sale documents (i.e., illustration and offer) showed the mortgage product as having a fixed end date of 31 January 2023. Also, Mr D received several letters during the course of 2022 alerting him to the approaching product end date; all made it clear this was January 2023, not March. So I agree with the investigator that Mr D's mistaken belief about when the product was due to end didn't come from Virgin misleading him.

As for the 19 December 2022 phone conversation, we now have, as I said earlier, the information necessary to consider whether Mr D lost the opportunity to keep his mortgage with Virgin on better terms than he secured with H.

Notwithstanding that Mr D told Virgin about his re-mortgage plans during the 19 December 2022 call, I think it would have been reasonable for the call handler still to have mentioned that he could choose a rate at that point to stay with Virgin. Depending how far into the re-mortgage process Mr D had ventured, it might still have been possible for Virgin to tempt him to stay.

With that in mind, the first thing to note is that the illustration Mr D has provided for his mortgage with H is dated 20 October 2022. From that, it can safely be concluded that his re-mortgage was well underway before his conversation with Virgin on 19 December 2022.

That being the case, it seems to me that for Mr D to abandon the re-mortgage and stay with Virgin, any comparable new product Virgin might have been able to offer him on 19 December 2022 would need to have been significantly cheaper than the terms being offered by H. The mortgage product from H was a fixed rate of 3.72% running until 31 March 2028, with a product fee of £999. Virgin has told us that that broadly similar products (i.e. five-year fixed rates running into 2028) available on 19 December 2022 would have ranged been 4.64% (with a product fee of £995) and 4.8% (with no product fee).

If this had been drawn to his attention (and to be clear I agree with our investigator that it would have been good practice to do so) I find it very unlikely Mr D would have aborted the process of re-mortgaging to H in order to select a new product to stay with Virgin. Put all of the above together, and I'm not persuaded Mr D suffered any detriment from Virgin's call handler not alerting him on 19 December 2022 to the possibility of selecting a new interest product to take effect from 1 February 2023."

I gave the parties two weeks to comment on the provisional decision; that time has now passed. Virgin accepted the provisional decision, whilst Mr D didn't make any further comment, even after we reminded him of the deadline for doing so.

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.

Having considered afresh everything that both parties have said and provided, I won't be departing from my provisional conclusions.

My final decision

My final decision is that I don't uphold this complaint or make any order or award against Clydesdale Bank Plc trading as Virgin Money.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 7 May 2024.

Jeff Parrington

Ombudsman