

The complaint

Mr and Mrs D complain about how Santander UK Plc handled their mortgage interest rate switch. They say that because of the poor service they received, they were unable to secure the most competitive rate on their mortgage which has now led to increased monthly payments.

What happened

Mr and Mrs D held a mortgage with Santander on capital and interest repayment terms. The fixed interest rate period on their mortgage was due to expire on 2 December 2023.

On 23 October 2023 Mr D called Santander to discuss the options available to them under the Mortgage Charter. He specifically enquired about switching the mortgage to interest only for six months under the Charter. The advisor he spoke to explained how the temporary switch to interest only would operate alongside the upcoming expiry of Mr and Mrs D's existing rate. The advisor explained that under the Charter, Mr and Mrs D could lock in a new deal in advance of their current fixed rate ending and they'd be able to review and request a better rate up to two weeks before their new term starts, if one is available. She also spoke about the option of a term extension under the Charter. Mr D chose to switch the mortgage to interest only right away. He said that he'd consider a new interest rate another time. The advisor explained Mr D could review the available interest rates online or over the phone.

On 6 November 2023 Mr D called Santander to discuss the available rates. He said that he wasn't able to review the available rates online. The agent he spoke to confirmed that where changes had been made to the mortgage under the Charter it's necessary to speak to a mortgage advisor to make further changes to the mortgage. The earliest appointment the agent could offer was the following day. Mr D opted for an appointment on 9 November 2023.

The appointment on 9 November 2023 couldn't go ahead because it was made with the wrong type of advisor – the advisor Mr D was referred to couldn't process rate switch applications for customers who had made changes to their mortgage under the Charter. The appointment was rebooked with a correct advisor the following day. Mr D raised a complaint about the poor service he said he'd received to date.

The rate switch application took place the following day on 10 November 2023. The advisor asked Mr D a series of questions to ensure a suitable recommendation was made. Mr D opted for a two-year fixed rate of 5.39% and asked what the latest date was for him to make any changes to the rate ahead of it going live. The advisor explained that Mr D could make changes to his selected rate up to 14 days before it went live. So, the last date to make any changes was 19 November 2023, however as that fell on a Sunday and their offices were closed, the latest Mr D could call to make changes to the rate was on 18 November 2023.

Mr D asked if he could book a provisional appointment in advance in case he wanted to change the interest rate. The advisor explained that wasn't possible as they'd be holding an appointment that Mr D may not need and that wasn't fair to customers who may need the

slot more to secure an interest rate in the first instance. The advisor explained that if Mr D wanted to make changes to the rate, he'd need to call to make another appointment at that time.

Mr D wasn't happy about this, he said that he'd encountered lots of problems to date – including being booked the wrong type of appointment. The advisor apologised, he explained that this was all a relatively new process, in light of the changes introduced under the government scheme. The agent assured Mr D that when making the appointment, if he mentions being on the Mortgage charter, the right type of appointment would be booked.

On 23 November 2023 a complaints handler called Mr D to discuss the complaint that he raised previously on 9 November 2023 – about being booked the wrong type of appointment. Mr D said that he was generally unhappy with the length of time everything took, he was put on hold several times and spoken to inappropriately by Santander agents.

Santander upheld the complaint. It agreed that it incorrectly booked an appointment with the wrong advisor on 9 November 2023. It originally offered £75 compensation and later increased this to £150 for the poor customer journey and the inconvenience caused. The payment was credited to Mr and Mrs D's bank account.

However, Santander said that Mr D was correctly informed that if he wanted to amend his pre-booked rate, he'd need to call to make another appointment – this could not be pre-booked. The latest Mr and Mrs D could change their rate was 14 days prior to their completion date on 3 December 2023.

The agent said that the like for like two-year fixed rate deal as of the current date (23 November 2023) was 5.22%. Mr and Mrs D were unhappy that they'd missed out on the opportunity to secure this rate. Mr D said that he tried calling twice, both on 16 and 17 November 2023, to book an appointment with a mortgage advisor but there were long wait times and he was on hold for at least 30 minutes without any success.

The agent looked into things and said that unfortunately Santander couldn't honour the new lower interest rate because Mr and Mrs D were within 14 days of their booked rate going live. She said that she checked the call wait times to speak to the retentions team on 16 and 17 November 2023 and these were not excessive so Mr D shouldn't have had any trouble getting through to an advisor.

Unhappy with Santander's response, Mr and Mrs D brought their complaint to our service. An investigator looked into things and thought Santander had done enough to resolve the complaint. Mr and Mrs D didn't agree and asked for their case to be decided by an ombudsman.

I issued a provision decision on 25 October 2024. I explained that whilst I provisionally agreed with the outcome suggested by our investigator, I did so for different reasons. I also explained that whilst their complaint has been with our service, Mr and Mrs D say they've encountered further issues with Santander's handling of their mortgage account. A separate complaint was set up to consider the alleged delayed conversion of the mortgage to the new interest rate. An opinion has been reached on that case. I won't be commenting on any matters that occurred after Santander issued its final response to this complaint on 30 November 2023.

An excerpt from my provisional decision is as follows:

“When investigating complaints, if we think the customer has been treated unfairly and lost out financially as a result of the business’ actions – we’ll explain why and let the business know what it should do to put things right.

In the circumstances of this case, I’m satisfied that Mr and Mrs D haven’t lost out financially, in the way that they think. I’ll explain why.

I understand that Mr and Mrs D’s main concern is that due to Santander’s processes, they feel they’ve lost out on the opportunity to secure a lower interest rate which is costing them around £50 extra each month.

Mr and Mrs D don’t dispute that the last date they could make changes to their booked rate was on 18 November 2023. When they discussed their complaint with a Santander complaints handler on 23 November 2023, she said the like for like two-year fixed rate deal as of the current date was 5.22%. Mr and Mrs D are unhappy because they think they lost out on the opportunity to secure this lower rate.

As part of my investigation I asked Santander to provide its rate information from the period in question. I can see that the interest rates that were available to Mr and Mrs D when they booked their rate on 10 November 2023 weren’t pulled and replaced with new rates until 21 November 2023. This was outside of the cooling off period for Mr and Mrs D’s booked rate. As I’ve explained, the latest they could make any changes to their rate was on 18 November 2023.

It’s for this reason that I’ve not looked any further into Mr and Mrs D’s concerns about not being granted a pre-booked appointment in the week leading up to the expiry of their cooling off period and the impact of that.

The reason for this is that even if Mr and Mrs D were able to speak to a mortgage advisor at that time, this would have made no difference to the rate that they could obtain. The rates available at that time were the same ones they had access to on 10 November 2023.

I understand it must’ve been worrying for Mr and Mrs D to think that they’d missed out on securing a more competitive interest rate. But I hope my explanation gives them some reassurance that they’ve not missed out on securing a lower rate like they thought.

I note as part of the complaint Mr and Mrs D say that they’ve received poor customer service from Santander. I’ve listened to all the calls that took place, and I don’t agree staff were unhelpful or rude. That said, Santander accepts that it could have provided a better service, and I agree. The main issue here is that Mr D was booked an appointment with the wrong type of mortgage advisor – this understandably caused Mr D some inconvenience, but I’m pleased to see this was picked up by the agent right away and a new appointment was booked for the following day. In addition, Mr D is unhappy that he was given wrong information about his ability to review interest rates online and long hold times during one call in particular. Overall, I consider Santander’s award of £150 to recognise the distress and inconvenience caused by its actions to be reasonable and in line with this service’s guidelines on such compensation.

For the reasons I’ve explained I don’t expect Santander to do anything more to settle this complaint.

My provisional decision

My provisional decision is that I don't uphold Mr and Mrs D's complaint against Santander UK Plc."

The deadline to respond to my provisional decision has now passed. Neither party has responded with any new comments or evidence for me to consider before reaching my 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.

Neither party has made any new arguments, or provided any new evidence, that I've not already considered when reaching my provisional decision. So, I see no reason to depart from what I provisionally decided.

My final decision

My final decision is that I don't uphold Mr and Mrs D's complaint against Santander UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 9 December 2024.

Arazu Eid
Ombudsman