

The complaint

Mr and Mrs P are unhappy with the way Accord Mortgages Limited (Accord) have managed their mortgage. They said they have been overcharged on their mortgage due to the number of fees and charges that Accord added to their mortgage.

Mr and Mrs P arranged for a third party to review their mortgage and they were told that they were due around £40,000 back from Accord.

What happened

Mr and Mrs P took out a mortgage with Accord in 2007 for £137,271 plus £995 fees added to the loan. They took this out over a term of 17 years on a capital repayment basis. The interest rate was fixed at 6.08% until 31 January 2010, after which it would revert to Accord's standard variable rate (SVR). Mr and Mrs P were advised to take this mortgage out by a broker.

Mr and Mrs P experienced some financial difficulty so in 2008, they switched their mortgage to interest only. In November 2014, they switched their mortgage to a fixed rate at 3.89% until 31 December 2016.

In December 2016, they took out another fixed rate at 2.24% which was fixed until 31 January 2022. During this fixed term period, Mr and Mrs P switched their mortgage back to repayment and increased the term of their mortgage.

In February 2022, Mr and Mrs P secured another fixed rate at 1.67% until 2027.

Mr and Mrs P have taken advice from a third party that has said they have been overcharged on their mortgage – but they haven't specifically given reasons as to why they think that may be.

Mr and Mrs P complained to Accord who sent their final response on the matter dated 14 May 2024. They confirmed Mr and Mrs P's complaint as being unhappy about being overcharged on their mortgage and that they want £40,000 refunded to them.

Accord said they were unable to see any contact from the third party who told Mr and Mrs P that their mortgage had been overcharged and they didn't think that it had been.

Mr and Mrs P brought their complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. The investigator concluded that we could only look at Mr and Mrs P's complaint from 12 August 2017 which is six years prior to when they brought the complaint to our service. And for the period he was able to consider, he didn't think that Mr and Mrs P had been overcharged on their mortgage.

Mr and Mrs P didn't agree with this. They said that the third party told them they would guarantee they got £40,000 back from their mortgage as it was overcharged.

The investigator responded to Mr and Mrs P and explained that what Mr and Mrs P are complaining about appears to be what they were told from the third party – and this complaint is about Accord. He understood that Mr and Mrs P were told they would get some money back but having looked at the complaint, he wasn't persuaded that Mr and Mrs P had been overcharged.

As Mr and Mrs P disagreed with the investigator, they asked for the complaint to be reviewed by an Ombudsman, so it's been passed to me to decide.

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 looked at everything very carefully, I agree with the conclusion that the investigator has made.

Mr and Mrs P seem to be disputing what they were told by the third-party company. Mr and Mrs P said they paid the third party a fee and in turn they reviewed the mortgage and told them that they would definitely get back £40,000 as the mortgage had been overcharged. This mortgage complaint is against Accord, so I won't be commenting on anything that Mr and Mrs P have argued against the third-party company.

As the investigator has explained, Accord haven't consented to our service looking at anything that happened six years prior to Mr and Mrs P bringing their complaint to our service, as it wasn't raised in time.

Mr and Mrs P brought their complaint to our service on 13 August 2023 (not 12 August 2023 as our investigator said in error). That means that I'll be able to consider whether Mr and Mrs P have been overcharged on their mortgage from 13 August 2017.

Having looked at everything carefully, I'm satisfied that Accord have applied the correct interest rates based on the rates that were taken out by Mr and Mrs P.

For context, in December 2016, Mr and Mrs P took out a fixed rate at 2.24% which was fixed until 31 January 2022. So during this period, the mortgage interest has been applied correctly, based on that interest rate.

They then took out a new fixed rate in February 2022 which is fixed at 1.67% until 2027. So again, I can't see that Accord have applied any interest incorrectly as what has been charged is in line with the product that was taken out – and is still ongoing.

I've also noted that in 2019 the mortgage reverted to repayment, and I can see that Mr and Mrs P were making ad-hoc payments which were sometimes below their contractual monthly payment, but often above it. This means that the balance was reducing a little bit quicker than required. This wasn't due to Accord requesting or taking more money than they needed to – but because Mr and Mrs P wanted to pay a little bit more off their mortgage. By May 2021, Mr and Mrs P were mostly paying what was required towards their mortgage, and in the months where they paid a little bit less, this would just have reduced their overall overpayment balance.

It's not clear what Mr and Mrs P have specifically been told about the fact they think their mortgage has been overcharged, but I cannot see that it has. And like I've said, I am not going to comment on the actions of the third party or what they may have told Mr and Mrs P. But having looked at some of these complaints before, the arguments tend to be on the generic side. But even so, based on what I have seen, I haven't seen anything that shows the mortgage has been overcharged.

I've not seen anything during the period that I can consider that alerts me to the fact that Mr and Mrs P's mortgage has been overcharged so I therefore won't be upholding this complaint.

My final decision

For the reasons give above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to

accept or reject my decision before 30 December 2024.

Maria Drury
Ombudsman