

## **The complaint**

Mr S and Mrs S complain that Danske Bank A/S gave them incorrect information regarding its revisionary rate when their fixed interest rate product was nearing expiry.

## **What happened**

In February 2023, Danske Bank reminded Mr S and Mrs S via letter that their current fixed interest rate would be coming to an end in July 2023. It invited them to explore the new rates available to them over the phone, through its online portal or via a mortgage broker.

Mr S and Mrs S first accessed Danske Bank's online portal on 27 February to view its available rates and explore what their new contractual monthly payment (CMP) would be.

The portal showed that if Mr S and Mrs S went on to Danske Bank's revisionary rate at the end of their fixed deal, their monthly payments would be £849.52. Mr S and Mrs S considered this a good option as it looked to be cheaper than any of Danske Bank's fixed interest rates at the time, so they decided against applying to take out a new fixed interest rate deal or looking elsewhere.

In May 2023, Mr S telephoned Danske Bank to double check this information and the agent he spoke to confirmed that if they left the mortgage to go onto the reversionary rate, the CMP was showing as £849.52. This confirmed the information Mr S and Mrs S saw on the online portal, so they again chose not to secure a new fixed rate.

In late June 2023, Mrs S checked the portal again, but the revisionary rate had changed showing that Mr S and Mrs S would now need to pay £1,302.55 per month for their mortgage. To avoid this increase in their CMP, Mr S and Mrs S secured a new two-year fixed rate deal with Danske Bank. They say they did not feel as though they had enough time to shop around given their existing mortgage deal was due to expire on 3 July 2023. They also raised a complaint about the incorrect information Danske Bank had provided.

Danske Bank found that a mistake had been made in the phone call in May, the revisionary rate quoted had been from a different year, but it did not comment on whether the rate shown online was also a mistake. Danske Bank offered Mr S and Mrs S £50 in compensation for the call handler's error, but it did not think it should do anything further as Mr S and Mrs S had been told the revisionary rate was subject to change.

Dissatisfied with Danske Bank's response, Mr S and Mrs S referred their complaint to our Service.

I issued my provisional decision on this complaint earlier this year. In summary I said:

- It is accepted by all parties that Danske Bank made an error in the call when it gave Mr S and Mrs S incorrect information on 16 May 2023.
- Mr S and Mrs S have provided screenshots of what they saw on the online portal which match the figures they were given on the phone. Danske Bank had chosen not

to comment on these screenshots, so it seemed more likely than not that the online portal was also displaying incorrect information to Mr S and Mrs S leading them to believe the revisionary rate was lower than it was.

- I was satisfied that had Mr S and Mrs S been given the correct information by Danske Bank they would have chosen to secure a new two-year fixed interest rate on their mortgage sooner than they did.
- Danske Bank was a signatory of the Mortgage Charter which allows consumers to change to a preferable rate should one become available before their chosen deal goes live. Given this, and the frequency with which Mr S and Mrs S checked the available rates with Danske Bank, I was persuaded they would've continued to do this even if they had secured a rate in February 2023 and would've asked to switch to a preferable rate had one become available before the end of June 2023.
- I was persuaded that Mr S and Mrs S had been caused unnecessary distress and inconvenience by virtue of the incorrect information provided by Danske Bank and that by the time this was corrected, they had to rush to secure a new deal to avoid reverting to the variable rate. So, I set out that I intended to award Mr S and Mrs S £200 in compensation.

Mr S and Mrs S accepted my provisional decision.

Danske Bank responded to say it had looked at the interest rates it had available between February 2023 and June 2023 and can see that even with the error, Mr S and Mrs S have ended up on the lowest rate available. As such, it will not be re-working the mortgage account.

It did not provide any comment on my recommendation that it pay £200 to recognise the distress and inconvenience caused.

We put Danske Bank's comments to Mr S and Mrs S to see if they had anything further to add. In response, they reiterated an earlier point from their complaint which was that, had they been given correct information in February 2023, they would have also shopped around with other lenders to secure the best fixed rate. By not being given this information until late June, they were prevented from doing this.

As both parties have now responded to my provisional conclusions, it is appropriate that I now issue 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.

Although I've read and considered the whole file, I'll keep my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

It is accepted by all parties that Danske Bank made an error in the call when it gave Mr S and Mrs S incorrect information on 16 May 2023. Danske Bank explained that their adviser was using information from 2021 when they spoke to Mr S and Mrs S.

Mr S and Mrs S have also provided us with screenshots of the rates they were shown on the Danske Bank portal. These match the figures Mr S and Mrs S were given on the phone.

Danske Bank were sent these screenshots but chose not to provide any comment on them until after I had issued my provisional decision.

In its latest submissions, Danske Bank accepts that the online portal was also showing inaccurate information in February 2023 and therefore that Mr S and Mrs S were prevented from accessing accurate information. It does however say that its portal was fixed and that on all other occasions when Mr S and Mrs S logged on, they would have been shown the correct information.

This differs from Mr S and Mrs S recollection which is that they were not given the correct information until late June 2023. However, I do not think I need to make a finding on this point to determine this case. I shall explain why below.

Danske Bank has now shown this Service that the rate Mr S and Mrs S secured in June 2023 was the lowest rate that it had available between February 2023 and June 2023. As such, Mr S and Mrs S have not ended up on a higher rate of interest by virtue of Danske Bank's mistake and therefore have not suffered a financial loss.

Mr S and Mrs S question this and say that had they been given the correct information in February they would have shopped around with other lenders.

I have considered this carefully but having done so, I am not persuaded I can say with any certainty that this is an action Mr S and Mrs S would have taken had they been fully informed in February 2023. I say this because there was nothing preventing them from shopping around in February anyway – even with them operating under the incorrect information. Instead, Mr S and Mrs S limited their exploration of a new rate Danske Bank. They had the opportunity at that point to look at the other rates offered by different lenders to see if it would be cheaper to move elsewhere rather than revert to Danske Bank's reversionary rate, but they did not do so. Taking this into account, I am not persuaded that there is sufficient evidence to suggest that had they been given correct information in February that they would have both, shopped around and been successful in securing a new rate with a new lender.

Overall, while it is clear Danske Bank made an error in its handling of Mr S and Mrs S's mortgage in February 2023, I am not persuaded this led to them incurring a financial loss which requires the mortgage account to be re-worked.

I do however maintain my provisional conclusions that this process caused Mr S and Mrs S undue distress and inconvenience. They were put in a position of having very little time to secure a new rate as a result of Danske Bank's error despite Mr S and Mrs S starting their switch enquiries four months before their existing product was due to expire. This was undoubtedly stressful for Mr S and Mrs S and is the main driver of this complaint. So, for this reason, I am going to direct Danske Bank to compensate Mr S and Mrs S as set out below.

### **My final decision**

For the reasons set out above, I uphold this complaint and direct Danske Bank A/S to pay Mr S and Mrs S £200 to recognise the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 15 January 2025.

Lucy Wilson

**Ombudsman**