

## **The complaint**

Mrs N complains about what happened when she asked Nationwide Building Society to move her mortgage onto a better interest rate. She said Nationwide caused confusion and delays, which meant she didn't get the rate she was originally offered.

## **What happened**

Mrs N told us her mortgage was originally taken out with a building society (which I won't name here) and was now managed by Nationwide. Mrs N said in January 2022 she was concerned about the financial outlook, and asked Nationwide about moving her mortgage onto a better rate.

Mrs N said she was originally told she could move onto a fixed rate of 1.49%. She wasn't able to have an appointment to discuss her mortgage until early February, and when the appointment was held, she was told she would need to move onto a Nationwide mortgage, and would also need to be on a different sort of mortgage, due to her age and that she'd already retired. She couldn't just have an ordinary product transfer, but would need a later life mortgage. Mrs N said Nationwide told her this would take a bit longer to sort out.

Mrs N said she didn't hear anything for several months. A broker spoke to Nationwide on her behalf, and things did then start moving again. But Mrs N said mortgage rates had gone up in the meantime. Mrs N said that in June 2022, she was offered a 10 year fixed rate of 3.59%. Mrs N asked Nationwide to backdate the rate to the one available when she first spoke to it, and Nationwide then offered her a 10 year rate of 2.99%.

Mrs N said Nationwide then wasted five months going over a charge on her deeds which Nationwide thought would need to be removed. Mrs N said that wasn't new, it had been on the deeds when she held the mortgage with the building society and Nationwide.

Mrs N said her lawyer told her this charge could be removed, but Mrs N said it then turned out that Nationwide wasn't offering later life mortgages anymore, and she said Nationwide told her this product was no longer available.

Mrs N said her monthly mortgage payments were now more than six times what they were previously. She didn't think she'd been treated fairly. She wanted us to see if the initial rate could be honoured.

Nationwide accepted it had caused an initial delay, when Mrs N first approached it about remortgaging. It has paid her a total of £300 to say sorry for that. But Nationwide has said that a rate as low as 1.49% would never have been available to Mrs N, with the mortgage type she needed.

Nationwide said it had reserved the earlier interest rate for Mrs N, so she wasn't worse off because of its initial delay. And it said that the delays after this weren't its fault.

Nationwide had carried out a valuation in September 2022, as part of Mrs N's mortgage application. It told Mrs N then that there was more than one charge secured on her property,

and she would need to remove the other charges before the application could go ahead. Mrs N said then she would look into things. But Nationwide said Mrs N didn't accept that she would need to remove the other charges until April 2023, when she agreed to go ahead and to remove the two extra charges before completion.

Nationwide said it was in regular contact with Mrs N then, while she was making up her mind about whether to go ahead. But by the time Mrs N said she did want to go ahead, Nationwide said Mrs N's previous offer had expired. It didn't think that was its fault.

Nationwide issued a new offer to her, which was valid until 24 July 2023. Nationwide said Mrs N had told it in May that she was looking into a 2 year tracker, but Nationwide couldn't offer Mrs N that at the time. Nationwide had stopped offering its later life mortgages, so it couldn't offer Mrs N anything different to the offer she was then holding.

Nationwide said it would extend Mrs N's offer until 23 August 2023. But Mrs N didn't want to sign up for the higher fixed rate that Nationwide had most recently offered, so this remortgage didn't go ahead.

Our investigator didn't think this complaint should be upheld. She said that Mrs N had a conversation with a mortgage advisor in early February 2022. There then wasn't much activity on the matter until June 2022. So she thought Nationwide had caused a delay then. It had paid £300 for that, and our investigator thought that was fair.

Our investigator said Nationwide wasn't responsible for all the delays throughout the process. She thought it took Mrs N seven months to acknowledge that there were third party charges on her property, and agree to remove them. And then Mrs N appeared to have changed her mind a number of times, about whether the charges needed to be removed and about whether she wanted to go ahead with the remortgage. It wasn't unfair for an offer with a better rate to expire while Mrs N was deciding whether to proceed. Our investigator said she didn't think Nationwide had to honour the rate Mrs N told us she was offered in branch, in January 2022, because it wasn't responsible for the majority of the delays, and the delays Nationwide did cause were addressed in the compensation offered.

Mrs N didn't agree. She said Nationwide hadn't understood her original mortgage, and the charge on her deeds caused confusion with Nationwide. She said these delays and misunderstandings undermined her confidence at what was already a troubled time.

Because no agreement was reached, this case was then passed to me for a final decision. And I then reached my provisional decision on this case.

### **My provisional decision**

I issued a provisional decision on this complaint and explained why I did not propose to uphold it. This is what I said then:

I think I should note at the outset, that the rate Mrs N says she was offered in branch when she first approached Nationwide about a remortgage, is one that Nationwide now says she could never have had. She didn't hold a Nationwide mortgage at that time, so she couldn't just do an ordinary product switch. I don't think it's unreasonable or unfair for Nationwide to say that it would need to do more, to bring Mrs N across from her old mortgage, to its own product range.

I know Nationwide caused a delay of around four months here in early 2022, when it just doesn't seem to have progressed her application. But Nationwide told us it did then backdate the interest rate that Mrs N was offered for its later life mortgage, so this delay

didn't mean she was worse off. I think that, plus the payment of £300 that Nationwide has made, does provide a fair outcome to this part of Mrs N's complaint.

Nationwide then started to action Mrs N's application, and it did a valuation of her property. It discovered what it said were two extra charges on the property, and told Mrs N they needed to be removed before her mortgage could complete. Mrs N said she would consult her solicitor about this, but it does appear as if Mrs N took quite a long time to decide whether she wanted to commit herself to removing these charges or not. I don't think it's Nationwide's fault that Mrs N's mortgage offer expired during this time.

Nationwide issued a new offer in early 2023. After this, Nationwide had decided that it would no longer offer later life mortgages. So when Mrs N asked if she could have a tracker instead of a fixed rate, and for a shorter period, Nationwide said as it had stopped offering this type of mortgage, Mrs N would either have to take the offer she had already, or look elsewhere. It couldn't issue a fresh offer, as the mortgage product Mrs N needed was no longer being made available to any of its customers. I don't think that's unreasonable or unfair.

Mrs N then decided not to go ahead. I know that she remains unhappy about the monthly payment on the variable rate mortgage she currently holds. I hope Mrs N will feel able to talk to a broker about whether a different mortgage product might be suitable for her, perhaps with another lender.

I do think Nationwide caused an initial delay here, but it has already compensated Mrs N for that, and backdated the rate of the offer it issued in 2022. And aside from that, I haven't been able to see that the delays that have been caused here were Nationwide's fault. I also don't think it's likely that the very low rate Mrs N originally discussed, of 1.49%, was ever available to her. So I don't think Nationwide has to change Mrs N's rate now.

I know that Mrs N will be disappointed, but I don't currently think this complaint should be upheld.

I invited the parties to make any final points, if they wanted, before issuing 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.

Nationwide accepted my provisional decision. Mrs N sent a detailed reply, setting out the history of this mortgage and the problems she'd experienced.

Mrs N said that she found my provisional decision rather clinical. I'm sorry if Mrs N feels I've summarised things too briefly. I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure Mrs N that I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues.

In reading Mrs N's latest letter to our service, it does appear that some of the points she makes, and the timing of events that she's set out for us now, differ somewhat from the first letter she wrote to complain to our service.

When Mrs N first complained to our service, she said that she'd had an appointment with a mortgage advisor in February 2022, and had been told then that she was likely to need a later life mortgage, which Nationwide called an Over 55s mortgage. Mrs N said then things stalled for a while, but a broker friend helped her to get things moving again, and in June she was offered a 10 year fixed rate of 3.59%. She asked Nationwide to backdate the rate, because it caused the delay in making this offer, and it agreed, so on 6 September she was offered a 10 year rate of 2.99%. We know there was then a delay while Mrs N tried to remove the extra charge over her property, and this offer expired in that time.

In Mrs N's latest letter, she told us that Nationwide didn't mention an Over 55s mortgage until June 2022, and then offered her 2.99%. She said that she asked Nationwide to reduce this to a rate she was originally offered (presumably the 1.49% she referred to earlier) and she told us Nationwide said no, and in September 2022 it increased the rate it would offer her, to 5.99%.

Mrs N has previously sent us an email from Nationwide, dated 3 February 2022, which says that Nationwide will forward her details of Nationwide's mortgages for Over 55s. Because of that, I also think that it's more likely that Nationwide told Mrs N straight away, in her first mortgage advisor appointment in February 2022, that she would probably need an Over 55s mortgage. I don't think Mrs N was led to believe then that she could obtain a rate of 1.49% on her mortgage. I think it's more likely that the advisor explained to Mrs N then that, given her time of life and her financial situation as a retired person, she would only qualify for Nationwide's later life products.

Mrs N previously sent us the offer that Nationwide issued in late June 2022, for 3.59%. Mrs N has also sent us the offer she received dated 6 September, for 2.99%. That evidence fits with what's in Mrs N's first letter of complaint to our service, but it doesn't fit with what Mrs N has said most recently.

So I think that where Mrs N's current letter differs somewhat from what Mrs N set out for us when she first complained, it's the detail in the first complaint letter that is more likely to be accurate here. That's because it fits with the evidence I have seen.

I accepted in my provisional decision that Nationwide caused a delay of some months between the February 2022 appointment, and its offers issued in summer 2022. But I said that I felt backdating the offer it issued then to the rate available earlier, plus a payment of £300 in compensation, did make up for what Nationwide had done there.

We know there was a further delay after Mrs N was told about additional charges registered over her property. When Mrs N first complained about this, she said Nationwide had wasted five months going over a charge on her title deeds which referred back to a home improvement grant given many years ago. She said that her *"...lawyer told me that this could, and would be removed during the conveyancing process."*

Mrs N now says she was never told to speak to a lawyer about this, by Nationwide, so she wasted time talking to the council first. And she said that Nationwide should have been copying her broker into all this correspondence, but it wasn't.

Nationwide's notes suggest it said at the outset that Mrs N would need to remove this charge, and would need to talk to a solicitor about this, not simply discuss it with the council. Nationwide appears to have had a number of phone conversations with Mrs N about this, and I don't think it was inappropriate for Nationwide to seek its updates from Mrs N herself, rather than her broker, about this.

I can also see that Nationwide's notes say Mrs N had a solicitor looking into this charge from 3 December 2022, but by early April 2023, Mrs N was still undecided as to whether to proceed, and pay for the two charges on her deeds to be removed.

I know that Mrs N's earlier offer of a ten year fixed rate of 2.99%, which was made by Nationwide in September 2022, expired while Mrs N was looking into the charges and deciding whether to proceed. But I don't think that the delay here is something I can fairly attribute to Nationwide. That's why I don't think Nationwide has to offer Mrs N the same 2.99% interest rate now.

During this time Nationwide issued a fresh offer, at 5.54% on 1 March 2023. Mrs N said in late April that she wanted to proceed. In May, she appeared to have changed her mind and said she wanted to look into other products, with a shorter rate fix. Nationwide then said it had stopped offering later life mortgages, so it could allow her to take out the offer it had already made, but couldn't provide alternatives. I don't think that was unreasonable or unfair.

This offer then expired. Nationwide did say it would extend the offer, after its expiry, until 23 August 2023, but Mrs N didn't take that offer up.

My provisional decision was that Nationwide caused a delay when Mrs N first approached it for a mortgage. But I also said its agreement to backdate the rate on its first later life mortgage offer, along with a payment of £300, did provide a fair and reasonable outcome to that part of Mrs N's complaint. And I don't think the delays after this point were Nationwide's fault.

Having considered Mrs N's revised arguments here, I am sorry to have to tell her that I haven't changed my mind. I'll now make the decision I originally proposed.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 12 November 2024.

Esther Absalom-Gough

**Ombudsman**