

The complaint

Mr G's complaint arises out of a buy-to-let (BTL) mortgage with Belmont Green Finance Limited trading as Vida Homeloans (and referred to here as Vida). Mr G is unhappy about the following matters:

- Vida failed to update his correspondence address, as a result of which he was unaware that a fixed interest rate product was expiring.
- Vida failed to call or email him about the impending expiry of the fixed rate.
- Vida has not provided an email address so he can correspond with Vida more easily.
- Mr G found it stressful when he tried to speak to Vida by telephone on 11 April 2024 as he wasn't able to pass the initial security checks.

To settle the complaint, Mr G wants Vida to grant him forbearance while he is in the process of selling the property (which I am told is imminent).

I note that during the course of this complaint, Mr G has also raised other complaint issues, but this decision is limited to the matters listed above, which are covered in the final response letter and initial call to the Financial Ombudsman Service.

What happened

Mr G has a BTL mortgage with Vida taken out in 2018 after Mr G took advice from his own independent financial advisers. The mortgage was initially on a five-year fixed rate of 4.19%, following which the mortgage reverted to a reversionary rate. The reversionary rate was initially at a margin of 5.89% above the London Interbank Offered Rate (LIBOR), but this ceased to exist before the end of the fixed rate period. As a result, Vida chose the Bank of England Base Rate (BOEBR) as the reference rate for the mortgage, so the reversionary rate would be at a margin of 5.89% above BOEBR.

Mr G says that in 2021 he instructed his solicitors to forward a change of address letter to Vida, as he was living abroad and wanted to update his correspondence address to an alternative UK address. Vida says it didn't receive that letter and so the address wasn't changed on its system.

In advance of the expiry of the fixed rate, Vida wrote to Mr G several times at the address it held on file for him. As he wasn't residing at that address, he didn't receive the letters, and says he was unaware of that the fixed rate was due to expire, or that it actually had. He was therefore shocked to find that the monthly repayment had increased substantially.

Mr G tried to call Vida on 11 April 2024 to discuss the mortgage, but wasn't able to pass the security checks. As a result, he wasn't able to speak to anyone.

Mr G complained to Vida. He wasn't happy that his address hadn't been changed when he'd asked Vida to do this in 2021. Mr G said that Vida should also have telephoned or emailed him to let him know about the expiry of the fixed rate.

Vida issued a final response in which it explained why it wasn't upholding the complaint. Vida also said that it was prepared to agree a three-month concession to enable Mr G to sell the property.

Dissatisfied with Vida's response, Mr G raised his complaint with our service. An Investigator looked at what had happened but didn't think Vida had acted unfairly.

The Investigator noted that copies we'd seen of the change of address letters from Mr G and his solicitors contained no recipient's address, so there was no evidence of the address to which these letters might have been sent, nor any evidence that Vida had ever received them. As a result, Vida hadn't changed the address on file.

The Investigator explained that the interest rate had moved to the reversionary rate in line with the mortgage terms and conditions. She was also satisfied that Vida wasn't required to telephone or email Mr G to let him know about the expiry of the fixed rate. In addition, whilst the investigator noted that Mr G found it stressful to speak to Vida by phone, she was satisfied that Vida was entitled to have security checks in place to protect customer accounts.

Overall, the Investigator didn't think Vida had done anything wrong.

Mr G disagreed and asked for an Ombudsman to review the complaint. Mr G said that the change of address letter had been sent by his solicitor to Vida's address.

In his response to the complaint Mr G raised numerous other issues that had arisen since the complaint had been raised with us. As I explained at the outset, I will not be considering those as part of this complaint.

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.

Change of address: I've looked at the copy letters Mr G provided – one from him which he'd forwarded to his solicitors, and one from the solicitors. The letter from Mr G contains no address for Vida, only "*ATTN: Vida Home Loans*".

The letter from Mr G's solicitor is dated 2 August 2024 and was prepared for the purposes of this complaint. The solicitor says that, to the best of his recollection, in about March 2021 Mr G asked him if he would forward a letter he'd written to his mortgage provider informing them of his new correspondence address in the UK. Mr G didn't want to send the letter from the country in which he was living at the time. The solicitor says that the letter was sent by Royal Mail. The solicitor doesn't provide any details of the address to which the letter was sent.

Vida has no record of ever receiving the change of address in 2021 and there is nothing in its contemporaneous notes to show that it did. I don't know if the letter went astray in the post, but that would be down to Royal Mail, not Vida. But I can't hold Vida responsible for not changing the address in 2021 as there isn't enough evidence to persuade me that it ever received the letter.

I also note that during a call with Vida on 1 March 2023 Mr G mentioned that he wasn't sure if his address was correct in Vida's records. However, the call ended before this could be verified or changed. It wasn't until 2024 that the address was changed.

Overall, I'm unable to find Vida to be at fault for not changing the address in 2021.

Expiry of fixed rate: The letters about expiry of the fixed rate sent on 14 September 2021, 5 September 2023, 1 December 2023 and 1 March 2024 went to the address Vida held for Mr G, which it now transpires was an incorrect address (although Vida wasn't to know this).

Mr G says that Vida should have telephoned or emailed him to alert him that the fixed rate was ending. This isn't something I'd expect Vida to do, either for Mr G or for any other customer in the same position. As Vida said (and I agree), it wouldn't be feasible to expect Vida to contact individual customers by phone or email to alert them of the impending expiry of a fixed rate product. Instead, system-generated letters are sent, which is standard across the mortgage industry.

I appreciate that, due to Vida not receiving the change of address letter, the system-generated letters about the ending of the fixed rate weren't received by Mr G. However, this is a BTL mortgage, and is considered a commercial investment. It's up to Mr G, not Vida, to manage this investment. This means it was Mr G's responsibility to make himself aware of the date when the fixed rate was due to expire and to take action accordingly. If Mr G didn't do so, this isn't Vida's fault.

So whilst I accept it must have come as a shock to Mr G to find his mortgage repayments had increased, I'm not persuaded this is as a result of any fault on the part of Vida.

Interest rate: The mortgage offer explains that the reversionary rate is at a margin of 5.89% over LIBOR. Because LIBOR ceased to exist, Vida chose the BOEBR as the reference rate. Vida is allowed to do this, and the mortgage has operated in accordance with the account terms and conditions. In recent years the BOEBR has increased significantly, and as a result, this has affected the reversionary rate on Mr G's mortgage. However, the level at which the Bank of England sets its Base Rate is not within Vida's control, nor does it fall within the remit of the Financial Ombudsman Service.

Correspondence preferences: Mr G wants Vida to correspond with him by email. Whilst there has been occasional correspondence by email between Mr G and Vida, email isn't considered by Vida to be a secure medium. Given this, for its account correspondence, Vida does not use email. I have no power to tell Vida how to run its business, but it is fairly standard across the mortgage industry that lenders do not send out account-specific correspondence by email because of the risk of interception.

I'm therefore not persuaded that Vida has done anything wrong in this regard.

Security check: Mr G was upset that he wasn't able to pass Vida's security check when he telephoned on 11 April 2024. Vida is entitled to have security checks in place in order to protect customer accounts. If a customer isn't able to answer the security questions, Vida is entitled to decline to discuss the account with the customer and terminate the call. In the circumstances, I'm satisfied Vida has done nothing wrong here.

Conclusion

I've given careful consideration to everything Mr G and Vida have said. However, for the reasons given above, I'm unable to find Vida has done anything wrong. I know this isn't the

outcome Mr G was hoping for, but I hope my explanation has clarified why I'm unable to uphold the complaint.

My final decision

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

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 December 2024.

Jan O'Leary
Ombudsman