

## **The complaint**

Mr W complains that he has been unable to choose a new fixed rate mortgage product that he would have preferred because he contacted Bank of Ireland (UK) Plc too late.

## **What happened**

Mr W has had an interest-only mortgage with BoI since 2006. His existing five-year term for his mortgage product ended in 2023 and he was offered a number of new mortgage products on the BoI hub. Mr W says he understood during phone calls he had with BoI that even if he picked one he had until December 20<sup>th</sup> to call and check if there were better rates to choose from. He says that BoI checked the calls and that in fact he was told to call before 19<sup>th</sup> December. So, he wasn't able to get a new rate but had to settle for one he had already chosen. Mr W says at the time he wasn't in a good mental place and his father had just died at the end of November. Mr W now finds himself in financial difficulties paying 50% of his salary towards the mortgage.

BoI says that Mr W applied for a mortgage switch on 21 September 2023 and a Variation of Mortgage Offer ("VOMO") form was sent on the same day and it received confirmation of the acceptance of the offer on 21 October. Mr W agreed a mortgage product with a fixed rate of 5.60%. But the VOMO also said that Mr W could withdraw from the mortgage product and agree an alternative if he told BoI before the 19<sup>th</sup> of December 2023 as the new rate was coming into effect on 1 January 2024. As Mr W didn't withdraw before the 19 December the rate that he had already chosen in October came into effect. In a call that Mr W had with BoI on 19 December he was told that an interest rate of 5.14% was then available but not for him as he was now locked into the rate he had agreed previously. Our investigator didn't recommend that this complaint should be upheld as she thought that BoI had done nothing wrong. Mr W disagreed and asked for a review.

## **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.

BoI has a process whereby a customer whose fixed rate mortgage product is coming to an end and who wants to fix another rate can fix a rate in advance but can then withdraw from the product by telling BoI before the 19<sup>th</sup> of the month prior to the rate coming into effect. I listened to the relevant phone calls including one on 11 September 2023 and read the relevant documents and I consider that BoI made it clear to Mr W prior to the 19<sup>th</sup> December that if he wished to withdraw from what he agreed to that he would have to contact BoI before that date. The problem is that as Mr W had been paying a low rate of interest for the five years previously that this increased rate would cause him financial problems. I can tell that from the call on 20 September 2023 when the prospect of Mr W's impending difficulties was discussed, and he was provided with details of external organisations who could provide advice. It was after this discussion that Mr W arranged a new interest rate product with BoI online.

It seems that Mr W simply misread the documentation he received as he contacted the bank

on the 19<sup>th</sup> rather than before the date. My role is to consider whether BOI did anything wrong. BOI had a process which allowed Mr W to select a product well in advance but allowed him to change the product if closer to the time he wanted to select a different product. But the BOI process required some finality on the decision so there was a date - the 19<sup>th</sup> December - and if Mr W didn't withdraw or select another product before then he was tied into the product he had chosen. That choice was Mr W's to make. BOI couldn't choose it for him.

All BOI could reasonably do was to be clear about what was on offer and what the timelines were. The documentation is clear as was the phone call in early September that in order to withdraw Mr W had to contact the bank before the 19<sup>th</sup> December but Mr W appears to have diarised the date incorrectly. That is unfortunate and I've great sympathy with Mr W for the grief he was going through. But I can't say that any mistake with the date was BOI's fault or indeed there was any fault with how it dealt with Mr W including in its call with him about his financial difficulties. I am sorry to hear that the increase in the interest rate has put financial strain on Mr W and I hope that he can work with BOI to find a solution. But for the reasons set out above I can't fairly uphold this complaint.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 3 January 2025.

Gerard McManus  
**Ombudsman**