

The complaint

Mr and Mrs G complain that Nationwide Building Society didn't make it clear enough that there was a cut off date for them to secure a new fixed rate when their one came to an end on their mortgage. They have had one month charged at the standard variable rate (SVR) and believe that Nationwide should backdate the rate to cover the difference in the payments.

What happened

Mr and Mrs G have two mortgage accounts with Nationwide and the fixed rate on these were expiring on 31 August 2024. They wanted to take out a new product which they wanted to start from 1 September 2024. Mr and Mrs G said they were unable to start the new interest rate until 1 October and this was due to Nationwide's lack of communication.

Mr G said he called Nationwide on 27 August 2024 after he was unable to secure a new interest rate online. He said the only options he was given was to choose a rate that would start from 1 October, but he wanted it to start from 1 September. This meant that they would be charged one month at Nationwide's SVR which they didn't want.

He said he was told on the call that there was a cut off date for when Nationwide could accept a new product to start from and that was 25 August. He said that Nationwide told him they sent out letters confirming this but Mr G said he didn't receive them.

Nationwide said that two letters were sent to Mr and Mrs G dated 8 August 2024 letting them know that the fixed rate on both mortgage accounts were due to expire on 31 August 2024. And if Mr and Mrs G wanted to secure a new rate, they had to do so by 25 August and by 10am. They said because this deadline had now passed, any new interest rate could only start from 1 October.

Mr and Mrs G were unhappy and said that Nationwide didn't make this clear to them so they brought their complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. The investigator didn't uphold the complaint and thought that Nationwide had done enough by sending out the letters to Mr and Mrs G which made clear what the deadline was. And he couldn't hold Nationwide responsible if these letters hadn't been received. He also said that Nationwide sent out text messages as a reminder that the fixed rates were coming to an end prior to the letters being sent.

Mr and Mrs G didn't agree with the investigator and they made the following comments:

- Nationwide claim they sent letters on 8 August 2024 and this was the only notice Mr and Mrs G were given. Mr G said he is very fastidious about the way he maintains his correspondence as postal correspondence is a perpetual cause of anxiety for him as he is autistic.
- Mr G did receive a text message at 7.03pm on 19 June 2024 that told him to 'consider his options before the deal is up'. This text gave no deadline.
- The entire customer interface for Nationwide is through their 'mortgage manager'. Nowhere on there does it state there is a deadline.
- Nationwide used one method to communicate this deadline and this method failed. Mr and Mrs G were not aware of the deadline which has now caused them financial

loss.

- Mr and Mrs G always respond to correspondence from Nationwide so this suggests it's less likely that this letter was ignored.
- Mr and Mrs G wanted evidence that the letters from 8 August 2024 were delivered to them.

The investigator asked Nationwide for evidence that the above letters were sent to Mr and Mrs G and Nationwide responded with evidence that they were sent to them. But Mr and Mrs G remained unhappy with this and 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.

What needs to be considered here is if Nationwide did enough to make Mr and Mrs G aware that their fixed rate was coming to an end on 31 August 2024 to give them enough time to decide their options. I think they did, and I'll explain why.

Mr and Mrs G had a fixed rate on two of their mortgage accounts with Nationwide which were expiring on 31 August 2024. Nationwide had to make sure they informed Mr and Mrs G of this.

I can see that Nationwide sent Mr and Mrs G text messages in June alerting them to the fact that the fixed rates were due to expire. The text message said 'your mortgage deal is ending soon. It's a good time to consider your switching options. Find out more at nationwide.co.uk/newdeal'.

This text message was enough to alert Mr and Mrs G that their fixed rates were due to expire. I accept that this text message didn't give a specific deadline, but this was sent weeks ahead of when the rate was due to expire so I think this was enough at the time in order to alert Mr and Mrs G that their rate was expiring.

Nationwide then sent Mr and Mrs G two letters, one for each account where the fixed rate was coming to an end and these letters were dated 8 August 2024. These letters explained that the fixed rate on both mortgages was coming to an end on 31 August 2024. It said that Mr and Mrs G could stay on the standard mortgage rate which was 7.99% at the time, or they could switch to a new deal. The letter directed them to their website to look at the options available. The letter also said Mr and Mrs G could use the 'mortgage manager' to switch the deal if they were happy to choose one they wanted.

On the right hand side of this letter it said 'complete your application before 10am on 25th to switch for next month'. This information was contained within both letters.

Mr and Mrs G said they never received these letters and it wasn't until Mr G called Nationwide on 27 August 2024 that he found out he had missed the deadline for agreeing a new fixed rate to start in September.

Mr G said that he was looking at the mortgage manager and it would only allow him to change the rate from October and not September – which is what he wanted. I have listened to this telephone call where the adviser explains that the deadline had passed which is why it wouldn't allow Mr G to start a new product from September.

Mr G queried why the mortgage manager application wouldn't show that there was a deadline as he said all it said was that he could choose a new rate before the old one expires. That is correct to some degree, but as Nationwide explained, there has to be a cut off point in order to ensure that everything is amended in time for the following month and

anything agreed after 25th of the month would mean that any changes would not take effect until the following month – in this case October.

The adviser explained that had Mr G of gone ahead with the application online for a new fixed rate the deadline would have shown but as Mr G had called after the deadline of the 25th, it wasn't allowing him to choose a new rate to start until October. This is why the deadline of the 25th wasn't showing at that moment in time.

Putting to one side that Mr and Mrs G said they didn't receive these letters, these letters informed Mr and Mrs G of their options with good time for them to make a decision about securing a new fixed rate. The letters also made it very clear that the deadline to do this was by the 25 August to ensure that any rate change was done in time for the payments to change for the following month. So Nationwide did what we would expect them to do here.

Mr and Mrs G said they never received these letters and Mr G has said he is fastidious in the way he deals with his emails and correspondence so strongly believes these letters were not sent. I don't doubt that Mr G is attentive when it comes to how he manages his emails and correspondence, but I cannot hold Nationwide responsible if these letters were not received by Mr and Mrs G.

Nationwide has provided evidence which shows that these letters were sent as part of a bulk mailing to many customers who had fixed rate deals expiring at the same time – so I can't agree with Mr G that he thinks that Nationwide didn't send these as I can see that they have.

Mr G argues that Nationwide's communication channel failed because they didn't notify him of any deadline in the text messages that were sent or on the mortgage manager application. He said the only time they mentioned the deadline was on a letter which they didn't receive and doesn't think it's fair that they only communicate this through one channel.

I understand the point that Mr G is making here but Nationwide have done what we would expect them to do. They notified Mr and Mrs G via text message that their interest rate was coming to an end. So at this point, they alerted them that this was happening to give Mr and Mrs G time to think about what they may have wanted to do. Nationwide then sent a letter with the deadline to ensure that Mr and Mrs G made the changes they wanted in time. Had Mr G of gone into the mortgage manager application before the deadline of 25 August, he would have been able to secure a new interest rate in time for September.

Nationwide have done enough here and we wouldn't expect individual text messages to be sent with specific deadlines as these are not personal to customers – the letters are. I know Mr and Mrs G are arguing that these letters were not received, but that's not the fault of Nationwide.

I understand that Mr and Mrs G have secured a new fixed rate from October 2024 but the issue is the one month they paid on the SVR in September 2024, but as I can't agree that Nationwide acted unfairly here, I won't be asking them to pay the difference in those interest rates.

While I'm sorry to disappoint Mr and Mrs G, I think that Nationwide have done what we would have expected them to do in these circumstances.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 27 February 2025.

Maria Drury
Ombudsman