

## **The complaint**

Mr G complains that National Counties Building Society trading as Family Building Society asked him to accept a new mortgage interest rate product when it knew it was about to reduce its product interest rates.

Mr G asks that a lower interest rate is applied to his mortgage.

## **What happened**

Mr G has an interest only mortgage with the Family Building Society. He had a fixed interest rate product that was due to expire on 30 June 2024. The Family Building Society wrote to Mr G to remind him of this. It sent a list of the available products with the letter.

Mr G chose a two-year fixed rate product and Family Building Society sent a product offer to him on 22 May 2024. Mr G signed the product acceptance form on 3 June 2024. The fixed rate product took effect on 1 July 2024.

On 3 July 2024 Family Building Society offered a new range of products. Mr G raised a complaint. He said he'd made the decision to accept the product based on assurances that changes to the product range were not imminent. He said Family Building Society had a duty to tell him that a meeting relating to rate changes was scheduled, and that it had decided to offer lower rates from early July 2024. He said this would have allowed him to take out a product with a lower rate.

Our investigator didn't recommend that the complaint was upheld. He said Family Building Society gave Mr G clear information about the process for taking out a new product, and it didn't have to tell Mr G about its decision to launch a new product range. Our investigator said Mr G couldn't have changed products in late June 2024 even if he'd known lower rate products were due to be launched in early July 2024.

Mr G didn't agree and asked that an ombudsman re-consider the 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.

Mr G's product was due to expire on 30 June 2024. He wanted to secure a new interest rate product. Mr G was also concerned about accepting a new product in April 2024 in case the Family Building Society brought out products with lower rates in May or June 2024.

I've listened to Mr G's call with the Family Building Society on 19 April 2024. The Family Building Society said there was no schedule for when interest rates would change. I think the Family Building Society gave Mr G clear information about his options.

The Family Building Society said Mr G could wait and apply for a new product later. The Family Building Society said Mr G would need to start the process of securing a new product about two weeks prior to his existing product expiring, for it to be in place in time to avoid

being on the variable rate. It said Mr G could go onto the variable rate and choose a new product at any time after that. The Family Building Society told Mr G about its product switch promise. It said Mr G could accept a product and change if a more favourable product became available, as long as there's time to implement and change the product before his existing product expired. It said that meant Mr G would have to return new signed paperwork before the maturity date of his existing product.

The Family Building Society sent an email to Mr G on 9 April 2024. This referred to the product switch promise and that he could allow the mortgage to go onto the variable rate and take out a product later.

There was a later call to discuss Mr G extending the term of his mortgage so that he could take out a five-year product. Mr G didn't go ahead with this.

I don't agree that Mr G was forced to accept a new product before the end of June 2024. The Family Building Society told him he could allow his mortgage to go onto the variable rate and choose a new product at any time.

The product offer documents and acceptance that the Family Building Society sent to Mr G said he had 14 days to decide whether to proceed. It said once Mr G accepted the product and returned the acceptance form he wouldn't have the right to change his mind and withdraw from the contract.

Mr G contacted the Family Building Society on 4 June 2024 and on 12 June 2024 to ask whether a rate change was imminent and when its next planned meeting about interest rates would happen. The Family Building Society said it hadn't been advised of any rate changes or rate change meeting date. It says this information was correct. The Family Building Society says the decision to change rates was made in late June 2024.

The Family Building Society launched a new range of products on 3 July 2024. Mr G became aware of this on 3 July 2024, at the same time as this information became available to other customers.

I think the information given to Mr G by the Family Building Society was clear, fair and not misleading. It gave him the information he needed to make an informed decision whether to accept the new product. Having listened to recordings of Mr G's calls and read his emails, I don't think the Family Building Society had any reason to think Mr G didn't understand the information provided to him.

Lenders are entitled to make a commercial decision about the products they offer, and to change their range of products from time to time. They don't have to give customers notice of this. I wouldn't expect the Family Building Society to provide commercially sensitive information to Mr G prior to this being available to all customers. I don't think the Family Building Society made an error or treated Mr G unfairly when it didn't contact him in late June 2024 to tell him it had decided to change its product range from early July 2024.

Even if the Family Building Society had contacted Mr G in late June 2024, Mr G wouldn't have been able to switch products. The product terms that Mr G accepted in early June 2024 said he didn't have the right to cancel the contract. The product switch promise wouldn't have helped him. The Family Building Society didn't change its product range between him accepting the new product in early June 2024 and the new product taking effect on 1 July 2024. The product range changed after this, on 3 July 2024. Mr G couldn't have returned new signed paperwork before the maturity date of his existing product when the new products weren't available until after this.

While I understand Mr G's frustration, the fact that he wasn't able to benefit from the lower interest rate products launched in early July 2024 wasn't because of any error by the Family Building Society. I don't think it's fair and reasonable in the circumstances to require the Family Building Society to apply a lower rate to Mr G's mortgage, pay compensation or take further steps regarding 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 G to accept or reject my decision before 13 February 2025.

Ruth Stevenson  
**Ombudsman**