

The complaint

Mr N and Mrs L complain that The Co-operative Bank Plc trading as Platform did not switch their mortgage to a new interest rate product as they had requested.

What happened

Mr N and Mrs L have a mortgage with Platform. Their existing interest rate was due to expire on 30 November 2024.

On 25 November 2023, Mr N and Mrs L signed a form of authority to switch to a new interest rate product of 5.47% until 31 March 2026. An early repayment charge (ERC) was payable if the mortgage was repaid before then.

On 8 December 2023, Platform wrote to Mr N and Mrs L to tell them that the product switch had completed and that the first new monthly payment of £1,353.46 was due on 1 January 2024.

On 21 December 2023, Mr N and Mrs L applied online for a new interest rate product of 5.08% until 30 April 2026.

On 22 December 2023, Mr N and Mrs L signed a form of authority to switch to the above product. But they crossed out the expiry date for the product and wrote "*November 2023 (i.e. 2-year fixed starting from 01 Dec 2023 to 30 Nov 2025)*".

Mr N and Mrs L complaint that:

- The switch to the 5.47% rate had never actually completed. They never received a completion letter for the product and they dispute it was sent by Platform. And if it had done so Platform would not have told them to pay £949.56 on 1 January 2024.
- Platform received their authority to switch to the 5.08% rate on 28 December 2023. As the other rate never completed Platform should have switched their mortgage to the 5.08% rate.
- They amended the form of authority because it incorrectly said the product would have a duration of 28 months, not 24.

The investigator did not think the complaint should be upheld. Mr N and Mrs L did not accept what the investigator said.

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.

It is not in dispute that Mr N and Mrs L signed the form of authority for the 5.47% interest rate. It set out clearly that by signing the form they accepted they had "*read this document*

and the accompanying offer document and agree the terms of this authority and the offer document". By signing the form Mr N and Mrs L accepted the terms of the interest rate product that Platform was offering.

It was reasonable for Platform to hold Mr N and Mrs L to what they had agreed. It had set out in a clear, fair and not misleading way the product that it was offering Mr N and Mrs L and the terms of the offer, including that their monthly payments would be £1,353.46 and that an ERC would apply if they repaid the mortgage before 31 March 2026. It also said that *"Once the product switch has completed, you will not have the right to withdraw and you will have to repay the loan in accordance with the terms of the contract"*.

I don't think whether the completion letter was received by Mr N and Mrs L would change the fact that they had entered into a legally binding contract with Platform for the 5.47% rate. I am satisfied that Platform took reasonable steps to tell Mr N and Mrs L that the new product was in place. We have evidence that it sent the letter twice on 8 and 15 December 2023. The second time was by

When Mr N spoke to Platform on 15 December 2023, Platform confirmed that the 5.47% product had completed on 8 December and that Mr N and Mrs L would need to pay the ERC to switch to a new product. I am satisfied that Platform did not mislead Mr N and Mrs L about what had happened and had given them correct information.

The 5.47% rate was already in place by the time that Mr N and Mrs L had sent their authority for the switch to the 5.08% rate on 22 December 2023 – so it was too late for them to switch to that rate by that point without paying the ERC. In any event, Platform was prepared to offer a fixed rate that expired on 30 April 2026. But Mr N and Mrs L altered the expiry date on the document. By doing so they had not accepted the offer that Platform had made.

I note Mr N and Mrs L's point that Platform had offered a "two-year" fixed rate and therefore the term must be two years. I agree that it might be potentially misleading for a lender to label a product as a "two-year" fixed rate if it did not last for exactly two years. But in this case, the authority form set out clearly the rate would last until 31 March 2026 – it did not describe the product as a "two-year" fixed rate.

I consider that Platform has properly and fairly applied the 5.47% interest rate and that Mr N and Mrs L agreed to that rate. I understand why they want to switch to the lower rate that became available soon afterwards. But I'm afraid it was too late for them to switch by that point without incurring an ERC. In any event, Platform would not be required to accept an acceptance that had been altered to change the terms of its offer.

Platform has accepted that on 20 December 2023 it gave Mr N and Mrs L incorrect information about how much they needed to pay on 1 January 2024. But I am satisfied that it corrected this information soon afterwards and the amount it has already paid of £50 is fair to reflect that error. It was Mr N and Mrs L's decision to continue to only pay the amount that would have been due under the 5.08% rate, but I don't consider that was due to any error or unfairness by Platform.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N and Mrs L to accept or reject my decision before 25 June 2025.

Ken Rose
Ombudsman