DRN-5446956

The complaint

Ms J's complaint is that she was given incorrect information by Bank of Scotland plc trading as Halifax about whether or not she could port (transfer) her mortgage interest rate product onto another mortgage on a new property. As a result, Ms J believes she has suffered financial loss and detriment for which she would like Halifax to compensate her.

What happened

I don't need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, Halifax has acknowledged it made an error, and has offered compensation to put things right. I don't, therefore, need to analyse the events in depth in order to decide if Halifax is at fault; the bank has acknowledged this. All I have to decide is whether the compensation offered by Halifax is sufficient, or if there is anything more the bank needs to do to put things right.

Finally, our decisions are published, so it's important I don't include any information that might lead to Ms J being identified. So for these reasons, I will instead concentrate on giving a brief summary of what happened, followed by the reasons for my decision.

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.

The crux of this complaint is as follows: in 2024 Ms J was moving home, and sold her property before buying another, repaying her Halifax mortgage of about £140,000 and paying an early repayment charge (ERC). Halifax allows a three-month 'window' for borrowers to port their mortgage interest rate onto a new mortgage on another property, but only if the borrower is applying for a new mortgage directly to Halifax, and not through a broker.

Ms J was told several times that she could port the 3.49% interest rate onto her new mortgage (and in addition, borrow extra funds at a 5% two-year fixed rate from Halifax's product range at the time). This was incorrect, because her new mortgage was being arranged through a broker, so the existing rate couldn't be ported. The mortgage completed on 19 July 2024 with the whole of the £225,000 borrowing on the 5% fixed rate. The ERC Ms J paid on redemption of her existing mortgage was refunded, because the new mortgage completed within three months of redemption of the previous mortgage.

Halifax accepted it had made an error in leading Ms J to believe she could port the interest rate when, in fact, she could not. The bank looked at what would have happened if the mistake hadn't been made. Halifax treated the £140,000 as if it had been ported at the 3.49% rate, and reimbursed Ms J for the higher repayments she'd made at the 5% rate from up to 31 October 2024, when the 3.49% rate had been due to expire.

At that point, to avoid this part of the mortgage going onto Standard Variable Rate (SVR) from 1 November 2024, Ms J would have needed to choose a new rate from Halifax's product range. At that time, the lowest available rate was 5.3%, so a higher rate than the 5% the mortgage was already on.

I'm satisfied that the compensation offered by Halifax has put Ms J in a better position than she would have been in if she had, in fact, ported the 3.49% rate. This is because, rather than having to choose a new product for the £140,000 at a higher rate of interest to take effect from 1 November 2024, Halifax has allowed her to keep this part of the mortgage on the 5% rate, which was no longer available by that date.

Ms J has therefore has not only had the benefit of the 3.49% rate via the refund made by Halifax, but is also keeping this part of the mortgage (along with the additional borrowing) on the 5% rate which wouldn't have been available for that part of the borrowing on the ported rate by the time that rate expired. This therefore results in a substantial saving over the two-year fixed rate period when comparing the cost of that borrowing on a rate of 5% and a rate of 5.3%.

In the circumstances, I think this is a fair resolution by Halifax, as it puts Ms J in a better position than she'd have been in had she been given the correct information at the outset.

Halifax also paid compensation of £250 for the trouble and inconvenience caused to Ms J. I think this is fair in the circumstances. I am aware that Ms J is unhappy with what she describes as *"a string of incorrect information"* and doesn't feel the compensation is sufficient to address the errors made by the bank. However, our awards of compensation aren't intended to be punitive, and I have no power to sanction Halifax.

Overall, whilst acknowledging Ms J's strength of feeling, I'm satisfied the redress offered by Halifax is fair and reasonable. I'm therefore not ordering the bank to do anything further.

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 Ms J to accept or reject my decision before 18 June 2025.
Jan O'Leary
Ombudsman