

## **The complaint**

The estate of Mr G complains that Leeds Building Society didn't tell the executor of Mr G's estate that a fixed interest rate deal on a Buy To Let mortgage was coming to an end, so the estate paid more interest in the last months before the mortgage was redeemed.

Mr K, the executor of Mr G's estate, brings this complaint on behalf of the estate.

## **What happened**

Mr K has shown our service that he's the executor of the late Mr G's estate. He told us this was a complex estate, taking considerable time and funds to wind up.

Mr K told us that the late Mr G had a Buy To Let ("BTL") mortgage with Leeds. He said when he wanted to clear this mortgage, he was very distressed to find out that the interest rate had risen sharply in October 2024, from just over £200 a month to over £850 a month.

Mr K said there was no way he could reasonably have been aware that this interest rise was going to happen. Leeds had told him that it wrote to him on 20 August, but Mr K said he didn't receive any such letter. He said that if Leeds was going to send such important correspondence by post, it ought to be recorded.

Mr K redeemed the mortgage in December 2024, paying the higher rate of interest from October onwards. But he said he'd paid under protest, and he wanted Leeds to refund the difference between the monthly interest it had charged up until September, and the monthly interest charged each month after that. Mr K said that worked out at just under £2,000.

Leeds didn't think it had done anything wrong. It said the late Mr G had a fixed interest rate on this mortgage, which was due to end on 30 September 2024. That was confirmed in the statement it issued to Mr K on 8 February 2024. And it had sent Mr K a letter on 20 August 2024 which told him the fixed interest rate was ending on this mortgage. Leeds said it was sorry Mr K didn't receive that, but it didn't think what had gone wrong here was its fault. Leeds wouldn't make the refund Mr K wanted.

Our investigator didn't think this complaint should be upheld. He clarified that our service could only look at direct losses to the estate, not distress caused to the estate, or the impact of this case on Mr K himself. And he said that he thought Leeds had done what it should have done here. It had shown our service that the late Mr G had accepted a mortgage offer with a rate that expired on 30 September 2024. And it had sent a statement in February 2024 which confirmed when the rate expired, as well as a letter in August 2024 which was intended to alert Mr K to the upcoming change in the interest rate. Our investigator didn't think it was Leeds' fault if Mr K didn't get the August letter. He didn't think Leeds had to send that by recorded delivery. He didn't think Leeds had to do any more.

Mr K said his complaint was made on behalf of the estate, not by him personally. But he still thought Leeds hadn't done enough to make the estate aware of upcoming changes to this mortgage. He said he had no access to the previous mortgage documents, and he said he

thought that any responsible and reputable lender has a moral and ethical (and possibly legal) duty to ensure that those left grieving are aware of any increase in interest.

Mr K said the first page of the annual statement that Leeds sent, set out the monthly payment. He said it wasn't until the second page that an end date was given for the existing mortgage rate. He thought that the end date for the rate should have been positioned prominently next to the monthly payment amount. He said because there was no date given next to this monthly payment amount, he had assumed that would continue for the next 12 months, and said it was "... *not acceptable to have to read further into the [statement] to find that it is not the case.*"

Mr K repeated he didn't get the letter sent on 20 August, and he said if there was no obligation on Leeds to send this by recorded deliver, then that was something it should look at again.

Our investigator didn't change his mind. He said Mr K had confirmed he received the annual mortgage statement, which did explain the end date for the existing fixed interest rate. He said he was sorry to hear about all Mr K had been dealing with, but he didn't think Leeds had done anything wrong.

### **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.

I'd like to start by saying that I've been very sorry to hear of the death of Mr G, and all the difficulties Mr K then faced in winding up his estate. The death of a loved one is always a deeply upsetting event, and none of us is ever really prepared for the additional stress and complications of then winding up a complex estate. Mr K has my sympathies.

I'm sorry to have to tell Mr K that this doesn't mean I can simply uphold his complaint. I understand Mr K told us he didn't have experience of mortgages, but what I have to do here is check whether Leeds gave him, as executor of the estate, the information he needed to manage the mortgage. And I do think it did that.

In February 2024, Leeds sent Mr K a statement for this mortgage. And that statement said the mortgage was currently on a fixed interest rate, due to end on 30 September 2024. I know Mr K says this was only shown on the second page, and he had assumed that the monthly payment given on the first page would continue for the next year at least, but I don't think that it's fair to hold Leeds responsible for this assumption. I can see that the statement set out the end date for the existing fixed interest rate. And mortgages are a very complex financial product. I can't agree with Mr K that it wouldn't be acceptable to have to read the statement as a whole.

Leeds told us it then sent Mr K a letter on 20 August 2024, to let him know that the mortgage interest rate was about to change. Mr K says he didn't get this letter, and he thought Leeds should have sent it by recorded delivery. I understand why, in Mr K's particular circumstances, he would say that. But that doesn't mean I think it's unreasonable or unfair for Leeds to have reached a different view. It issues letters like this, not as the sole way of informing someone about a change of interest rates, but as part of the overall communications between the lender and the borrower (including things like the previous statement that Mr K did receive). Leeds will also be aware that the overwhelming majority of letters sent through the UK postal system are safely delivered to the intended recipient. In

that context, I don't think it was unfair or unreasonable of Leeds to simply put this letter in the post, without incurring the extra costs of making sure it was signed for on receipt.

I know that Mr K will be disappointed by my decision, but I don't think Leeds let the estate down here. And that means I don't think this complaint should be upheld.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr G to accept or reject my decision before 28 May 2025.

Esther Absalom-Gough  
**Ombudsman**