

The complaint

Mr and Mrs M complain that The Mortgage Works (UK) Plc unfairly changed the expiry date of the five-year interest rate product they chose for their buy to let mortgage. They say they lost the benefit of the interest rate six months earlier than expected and have been left out of pocket.

What happened

Mr and Mrs M applied to TMW for a buy to let mortgage in early 2020. They applied for a five year fixed interest rate product. TMW issued a mortgage offer in March 2020. This included a 1.64% fixed interest rate until 31 March 2025.

There were delays with Mr and Mrs M's property purchase. They had to change solicitor in August 2020. TMW issued a new mortgage offer in August 2020 with the name of the new solicitor and extended the expiry date of the mortgage offer. The mortgage completed in early September 2020.

Mr and Mrs M say they didn't know TMW had altered the terms when it issued the new mortgage offer in August 2020. They say it reduced the five-year product to about 4.5 years. They say if they'd known this they'd have applied for a new product with a longer duration. Mr and Mrs M ask that TMW applies the 1.64% rate for five years.

Our investigator said TMW's original and re-issued mortgage offer both stated that the 1.64% interest rate applied until 31 March 2025.

Mr and Mrs M didn't agree. Mr M said, in summary, that he expected the 1.64% interest rate to apply for five years from when the mortgage completed. He says the mortgage offer was valid for six months, during which time they could accept the offer on this basis.

Mr M says when TMW issued the revised mortgage offer it didn't tell them the interest rate would end on 31 March 2025. They had no reason to review the mortgage offer as they didn't expect this change.

Mr M says TMW withdrew the 1.64% interest rate product on 31 March 2020 without telling them. That meant they had to accept the offer by 31 March 2020, which he says is impossible for a property purchase. Mr M says by failing to provide the interest rate for five years, TMW is in breach of its contractual offer made in February 2020.

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 M set out his arguments in detail. I don't have to respond to each point made by the parties. What I must do is explain how I reach my decision about what's fair and reasonable in the circumstances.

While I'm sorry to disappoint Mr and Mrs M, I don't think TMW made an error or treated them

unfairly.

It seems TMW issued a mortgage offer to Mr and Mrs M in February 2020. We don't have a copy of this. While Mr M says TMW is in breach of a contractual offer made in February 2020 he didn't provide evidence to support this.

TMW issued a revised mortgage offer to Mr and Mrs M in March 2020. This included a five-year fixed interest rate product. The mortgage offer said the product would end on 31 March 2025 and the variable rate would apply after this. The expiry date of the mortgage offer was 17 August 2020.

TMW issued a revised mortgage offer to Mr and Mrs M in August 2020. This was to update the name of the solicitor and extend the expiry date of the mortgage offer to 11 September 2020. The revised mortgage offer also says the product will expire on 31 March 2025 and the variable rate will apply after this.

I can't fairly agree that TMW failed to inform Mr and Mrs M that the preferential interest rate would apply until 31 March 2025, or that it changed the offer terms when it issued the revised mortgage offer in August 2020. Both the mortgage offer issued in March 2020 and the mortgage offer issued in August 2020 say that the preferential interest rate applies until 31 March 2025.

Letting property is a business. Arranging finance for a property to let is part of managing that business. I think it's reasonable for TMW to expect Mr and Mrs M to read the mortgage offers, which clearly set out the expiry date of the preferential interest rate.

Based on Mr M's comments, it seems he might have thought that the expiry date of the preferential interest rate would change, depending on when the mortgage offer is issued or when the mortgage completes. If so, I don't think TMW is responsible for this misunderstanding. The mortgage offers do not say that the interest rate will apply for five years from the date of completion. The mortgage offers issued by TMW say that the 1.64% interest rate will apply until 31 March 2025.

Mr M says in order to benefit from the 1.64% interest rate for a full five years, they'd have had to accept the offer by the end of March 2020. In effect, they missed out on nearly six months of the preferential interest rate because of the time taken to complete their property purchase. While I understand the point made, that doesn't change my decision about what's fair and reasonable. There's no requirement for TMW to change the date the preferential interest rate will expire simply because there were delays with Mr and Mrs M's purchase. If Mr and Mrs M wanted a product with a later expiry date, they could have asked TMW what interest rates products were available in mid-2020.

Mr M says TMW withdrew the 1.64% product at the end of March 2020. While I don't know if that's right, it doesn't change my decision about the outcome of this complaint. Lenders are entitled to withdraw products or change the range of interest rate products they offer at any time. TMW had issued a mortgage offer to Mr and Mrs M and they had until mid-August 2020 – which was extended into September 2020 – to complete their mortgage with the benefit of the 1.64% interest rate product until 31 March 2025.

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 M and Mrs M to accept or reject my decision before 24 June 2025.

Ruth Stevenson
Ombudsman