

## **The complaint**

Mrs C complains that Paragon Bank Plc (Paragon) mis-sold three mortgages to her. She says Paragon harassed her to take out the mortgage products, didn't provide her with enough information about the mortgages, and that she's lost out as a result.

## **What happened**

Mrs C held four Buy-to-let (BTL) mortgages with Paragon. Some of them originated with another company within the Paragon group. One of the mortgages was on a fixed rate of 3.74% until 31 August 2023 and the others were what Paragon describes as 'legacy' accounts, all on variable rates.

Paragon contacted Mrs C on several occasions from April 2023, about the fixed rate that was coming to an end on one of the mortgages. The contact included telephone and written correspondence.

On 6 September 2023, Mrs C telephoned Paragon to say she'd been discussing the two-year discounted tracker rate with her husband and that she wanted to switch all four mortgages to the new rate.

Following the call, Paragon wrote to Mrs C about each of the mortgage accounts. The letters confirmed the start dates (all 1 October 2023) and the new monthly payments that would apply. Each letter referred to a mortgage illustration and product conditions.

Mrs C then called Paragon to ask if the product switch for the mortgage where the fixed rate had come to an end, could be backdated to start from 1 September 2023, instead of 1 October 2023. This was to avoid a larger payment amount, due to the mortgage being on a reversionary rate between the old rate ending and the new rate starting. Paragon agreed to this as an exception.

In 2024, Mrs C complained to Paragon that she'd felt pressured into selecting a new rate and that the mortgage products had been mis-sold. Paragon didn't uphold the complaint. Mrs C remained unhappy and referred the matter to the Financial Ombudsman Service. An Investigator here looked into things and didn't uphold the complaint. In summary, they didn't agree that Paragon had pressured Mrs C into taking out the new interest rate products, and they thought Paragon had provided Mrs C with key information about the mortgage products.

Mrs C didn't agree with the outcome. She asked to be supplied with copies of what the Investigator had relied upon, which the Investigator provided. Because Mrs C didn't agree with the Investigator's outcome, the case has been passed to me to decide.

## **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.

Having done so, I've reached the same outcome as the Investigator, for broadly the same

reasons. Before I explain why, I want to set out the purpose of my role. It isn't to address every single point that's been made to date. Instead, it's to decide what's fair and reasonable given the circumstances of this complaint.

For that reason, I'm only going to refer to what I think are the most salient points when I set out my conclusions and my reasons for reaching them. But, having considered all of the submissions from both sides in full, I will continue to keep in mind all of the points that have been made, insofar as they relate to this complaint.

Paragon made it clear to Mrs C that it wasn't giving her advice about switching mortgage products. I'm satisfied this was the case. This means Paragon didn't need to ensure that the products were suitable. However, it did need to provide Mrs C with key information about the mortgage products, so that she could make an informed choice about whether she wanted to proceed.

#### Did Paragon harass Mrs C to take out new mortgage products?

First, I've thought about Mrs C's assertion that Paragon harassed her to take out the mortgage products. The evidence I've seen and heard doesn't support this assertion. I can see that Paragon did contact Mrs C on several occasions in the lead up to the fixed rate on one of the four mortgages coming to an end. There's nothing wrong with a lender contacting a borrower in these circumstances to remind them their interest rate product is coming to an end, and to explore whether they wish to switch to a new product.

Mrs C could've ignored Paragon's contact if she had wanted. Instead, she telephoned Paragon on 6 September 2023 to ask to switch all of the mortgages to a specific mortgage product that Paragon offered – the two-year discounted variable rate.

I've listened to a recording of the call. Aside from the fact that it's immediately difficult to reconcile Mrs C's suggestion that she was harassed, given that she telephoned Paragon requesting to take out new mortgage products, it's clear from listening to the call, that Mrs C had already thought about the interest rate product she wanted to switch to. It's also clear that she wanted the new rates to start as soon as possible. I'm not persuaded that Mrs C was harassed to take out the new mortgage products.

#### Did Paragon provide Mrs C with key information about the new mortgage products?

At the beginning of the call on 6 September 2023, Mrs C said she'd been discussing the two-year discounted tracker rate with her husband, and she gave authority for her husband to discuss the matter with Paragon's representative.

Mrs C's husband said that Mrs C wanted to switch all of the mortgages over to the new rate immediately, as it would bring the payments down. Paragon's representative explained that the discounted rate had gone up to 6.12%, due to the recent increase to its Standard Variable Rate.

Paragon's representative went on to explain that the discounted rate is variable and that there was a 2% product fee, which could be paid up front or added to the balance. Paragon's representative said it wasn't able to give any advice. Mrs C's husband said the fee should be added to the balance. Paragon's representative explained this would therefore incur interest.

Paragon's representative said the start date for all four of the mortgages would be 1 October 2023, and that an early repayment charge of 3% would apply for the two years. Paragon's representative said that Mrs C would receive e-mails confirming the details that had been discussed. Paragon's representative recommended that Mrs C read the

information when received, said there was a 14-day reflection period, and that Mrs C could speak to a financial adviser if she wished to do so.

Following the call, Paragon sent Mrs C correspondence about the new interest rate products, including the start date, monthly payment amounts, and mortgage illustrations. Each illustration set out the key information about the mortgage, including about the interest rate that would apply, and fees and charges. The illustrations set out that Mrs C had 14 days reflection, before committing herself to taking out the loans.

Thinking about all of this, I'm satisfied that Paragon did provide Mrs C with key information about the new mortgage products, enabling her to make an informed decision about whether to proceed.

The only subsequent contact from Mrs C before the new rates came into force, was her requesting for the new rate on the mortgage where the fixed rate had come to an end, to start earlier than should have been the case, to avoid needing to make a particularly high monthly payment. Paragon agreed to backdate the rate as an exception.

In conclusion, the evidence does not support Mrs C's complaint.

### **My final decision**

My final decision is that I don't uphold Mrs C's complaint about Paragon Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 2 September 2025.

Ben Brewer  
**Ombudsman**