

The complaint

Mr and Mrs W have complained about two buy to let (“BTL”) mortgages they hold with The Mortgage Works (UK) Plc (“TMW”). They’re unhappy that their two accounts went onto the reversionary variable rate for a time, rather than onto new fixed rate products.

What happened

Mr and Mrs W took out these mortgages in 2019 with TMW. The mortgage offers show they took a rate that was fixed at 2.39% until 31 July 2024, after which the mortgages would move to TMW’s Managed Variable Rate (which was 4.74% at the time of the offers).

TMW sent letters to Mr and Mrs W in the run up to those rates ending, and Mr and Mrs W instructed a broker to act on their behalf in securing new interest rate products for both mortgages.

The broker placed applications for a rate that was fixed at 5.34% until 31 August 2026 and TMW produced mortgage offers for both accounts on 10 July 2024. Those offers said “If we receive your acceptance of this offer by 27th July 2024, your mortgage switch will complete on 1st August 2024. If we do not receive your acceptance by 27th July 2024 the interest rate on your mortgage will change to the follow on rate on 1st August 2024. If we receive your acceptance of this offer after 27th July 2024, but no later than 31st July 2024, your mortgage switch will complete on 1st September 2024.”

At Mr and Mrs W’s request the broker cancelled those rate switch applications on 18 July.

Mr and Mrs W have provided us with an email they sent to their broker on 23 July. They said they were looking at the costs and had compared what it would cost them for up to seven days on the variable rate against two years on a lower fixed rate product.

Revised rate change applications were made on 30 July for a rate which was fixed at 5.24% until 31 August 2026.

TMW issued mortgage offers for both accounts which said “On 1st August 2024 your mortgage interest rate will change to the follow-on rate as detailed under the terms of your existing mortgage. If you accept this offer by 20th August 2024 you will transfer to this new product with effect from 1st September 2024.”

Mr and Mrs W have also provided us with a copy of an email from their broker dated 30 July which enclosed the mortgage offers and said “As discussed on our recent call we needed to switch no later than 25 July to start the new deal 1 August however you were hesitant and requested that I cancel the switches and allow you to access the deals within your portal in the hope that rates may be reduced again. With this said the attached deals are now locked in and your new repayment amount will be debited as of 1 September.”

Mr and Mrs W raised a complaint with TMW in a call on 3 September.

TMW responded to the complaint and said it hadn't done anything wrong. It said the mortgage offers were accepted by Mr and Mrs W's broker after the deadline for them to start the following month. It said the deadline for acceptance was 27 July 2024 for the change to take effect from August 2024, but the offers weren't accepted until 30 July 2024, so the change took effect from September 2024.

Mr and Mrs W referred the complaint to our service where it was looked at by one of our Investigators. Our Investigator didn't uphold the complaint. He said the deadline was on TMW's website and in some of the letters that were sent to Mr and Mrs W. He also said that it was the responsibility of Mr and Mrs W's broker to ensure they were provided with the correct information, even if Mr and Mrs W were leading things.

Mr and Mrs W didn't agree and so the case was 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.

I'm sorry to disappoint Mr and Mrs W, but I agree that TMW hasn't acted unfairly here.

Mr and Mrs W applied for the first new interest rate at the start of July 2024 and cancelled that as they wanted to wait to see if a lower rate became available. That was their choice, but I'm satisfied TMW made it clear that the new rate had to be accepted by 27 July for it to take effect from August, otherwise it wouldn't take effect until September. That can be seen in the rate switch mortgage offers TMW issued on 10 July:

"If we receive your acceptance of this offer by 27th July 2024, your mortgage switch will complete on 1st August 2024. If we do not receive your acceptance by 27th July 2024 the interest rate on your mortgage will change to the follow on rate on 1st August 2024. If we receive your acceptance of this offer after 27th July 2024, but no later than 31st July 2024, your mortgage switch will complete on 1st September 2024."

It may be Mr and Mrs W's broker didn't share those earlier mortgage offers with them, and if that was the case then that is something Mr and Mrs W would need to take up with their broker directly, not least because the broker accepted the mortgage offers agreeing to the statements:

- Each of the borrowers has received a copy of the product switch offer
- Each of the borrowers accepts the terms of the product switch offer
- You are authorised to accept the mortgage offer on behalf of the borrowers

In setting a deadline for the rate to take effect for the following month, TMW is acting in line with normal industry practice. The process for a customer (or a broker acting on their behalf) selecting a rate is quick and easy. But once the customer has made that decision, there are further changes needed behind the scenes – TMW has to update its systems and recalculate the mortgage, change payment requests and issue the regulatory documentation. It's not unreasonable to build in sufficient time to make sure all that can happen in good time for the new rate to go live.

It's also important to bear in mind that a new interest rate is not an entitlement. The terms of Mr and Mrs W's mortgage agreements said that they would be on their 2019 fixed rate until 31 July 2024 and then move to the managed variable rate thereafter. By offering them a new

rate, TMW was not complying with a contractual obligation – it was offering the chance to change their agreed mortgage contracts for something else.

I'm satisfied that TMW acted fairly in offering Mr and Mrs W the opportunity to replace it with a better rate up to 27 July should one become available and for the change to still take effect from 1 August. I understand Mr and Mrs W's frustration that a better rate did become available but not until 30 July – by then it was too late for the new rate to take effect for August. I can see why they feel upset. It's certainly unfortunate timing. But it's not unfair.

Mr and Mrs W have said the letters from TMW say that if they miss the deadline they can apply to switch to a new mortgage deal at any time. That is factually correct, they were able to apply to switch to a new mortgage deal after the deadline. The letters don't say that the new rate would take effect immediately, or in seven days, that was simply an assumption Mr and Mrs W made which was not based on anything TMW said.

Mr and Mrs W have said "I did not give the Broker the opportunity to take part in my decision making and, furthermore, I did not give the Broker the opportunity of full two-way communication". It is unfortunate that despite instructing a broker to act on their behalf Mr and Mrs W didn't seek and follow the professional advice of that broker about the deadline as this is all information that the broker had available to them, not least through the mortgage offers that were issued on 10 July and on TMW's intermediary website.

Mr and Mrs W have said the position would have been totally identical if they hadn't used the broker, but I don't agree.

If Mr and Mrs W hadn't used a broker then they would have needed to have applied directly with TMW online. If they had applied online they would have seen the section titled "When you can switch". That section contained a table which gave the date the new mortgage deal would start if a mortgage rate switch offer was accepted at different times.

Whilst the current version says "Accept your clients switch offer between" and "To start your clients new mortgage deal on", back in October 2024 the table headings were different, saying "Accept your switch offer between" and "To start your new mortgage deal on". Whilst I don't have a screenshot of the webpage as it was in June and July 2024, it is more likely it had the same headings as it did in October 2024 than the headings as they are now.

However, even if the headings were the same as now I don't think that "would have added further confusion" as Mr and Mrs W have said. And if, by chance, they were at all confused by it then directly beneath was a section titled "We're here to help" which says "If you've got a question about switching your mortgage, give us a call" with a link to a page that gives all the contact details.

In any event, all that is irrelevant because Mr and Mrs W *did* use a broker. The broker isn't party to this complaint so I haven't seen all communications between them. But the mortgage offer TMW issued to the broker, and that the broker accepted on 10 July, was clear any product offer had to be accepted by 27 July or the new rate wouldn't take effect until September, and TMW's intermediary website was also clear in this information.

If the broker didn't make TMW's requirements clear to Mr and Mrs W, or comply with those requirements itself, that doesn't mean TMW is responsible for that. In arranging the rate switches, the broker acted as an agent of Mr and Mrs W, not of TMW. Any complaint about the acts or omissions of the broker needs to be made to the broker, not TMW.

In deciding this complaint, I'm required to consider what's fair and reasonable in all the circumstances. I've set out what TMW required to happen for any new rate to take effect

from August and noted that it didn't happen. I've also taken into account that in cases where a broker has been instructed by a borrower, it's reasonable to expect the broker to ensure the customer is aware of the requirements. And I think it's relevant to bear in mind that these were buy to let mortgages. That means both that they're not regulated mortgages, and that Mr and Mrs W were not acting as consumers taking out a loan over their home; they were acting as people running a property rental business for profit, and who had appointed a professional to act on their behalf. I think that's a relevant matter when considering what's fair in this case

Taking everything into account, therefore, I don't think TMW did anything wrong here and so I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs W to accept or reject my decision before 4 September 2025.

Julia Meadows
Ombudsman