DRN-5542998

The complaint

Mr M complains that London and Country mortgages Limited (L&C) did not switch the interest rate on his mortgage as he requested.

What happened

In March 2024, L&C gave Mr M mortgage advice. It recommended that he should take an interest rate of 4.46% fixed until 30 June 2029, when his existing deal expired on 1 August 2024. The suitability report said that L&C offered a "Rate Check" service. It said if Mr M asked it would check if the interest rate was still the best option for him and if it found a better deal it would help him swap.

On 21 June 2024, Mr M asked L&C to "rerun rates". On 25 June 204, L&C replied:

"…*hope you are well and received my out of office reply*

On a like for like basis, 5 year fixed rate as before the best deal is now 4.31% with a £999 fee."

On 26 June 2024, Mr M replied:

"*Many thanks for the below, oddly did not see any OOO emails but I never doubted your reply so all good.*

Yep happy to do the 4.31%."

On 1 July 2024, Mr M emailed L&C again. Mr M said he asked about the availability of tracker rates.

L&C did not process Mr M's request and the product switched to the 4.46% rate. It said the member of staff dealing with Mr M was unexpectedly away from work but Mr M should have received out of office emails.

Mr M complains that he did not receive any out of office emails so he was unaware his adviser was not at work or who to contact instead. He said that he "*did not receive any reply despite numerous attempts to contact* [L&C] *via phone and email prior to [his] mortgage deal expiring*". He wants L&C to pay him the difference between the interest rate he is paying on his mortgage and what he would be paying had the switch been processed as he requested.

The investigator thought the complaint should be upheld in part. She said that Mr M and L&C shared some responsibility for the switch not going ahead, so L&C should meet half the additional costs and pay Mr M £75 for any distress and inconvenience.

Mr M accepted what the investigator said. L&C did not.

The case was passed to me for review. After considering the evidence I did not consider I could uphold the complaint in part. I wrote to Mr M and explained my 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.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in the light of the evidence.

When L&C replied to Mr M's email of 21 June 2024 it asked if he received an out of office email. He replied to say he did not – and he has been consistent about that throughout. There was clearly some confusion. But the adviser was working at that time and replying to emails – so it might not be unusual for out of office emails not to be sent.

On the other hand, it could indicate that there was a problem with the out of office emails. They might not have been set up as expected.

On balance, I am prepared to accept that Mr M did not receive an out of office reply to his email of 26 June 2024 when he said he wished to proceed. But it is also important to note that he did not receive any reply or any other confirmation that his request had been received and accepted. In those circumstances, I do not consider it was reasonable for Mr M to believe that the rate switch had been actioned. He ought reasonably to have known that it needed to be processed before 1 August 2024 and that he would receive documentation to confirm the switch – just as he received paperwork following the initial recommendation in April 2024.

The difficulty I have here is that Mr M's account of what happened next has not been clear or consistent. When he spoke to L&C he said twice that he had received an out of office reply to his email dated 1 July 2024. But when he referred the complaint to us, he said he did not receive an out of office reply to that email. The phone call with L&C was shortly after the events in question when Mr M's memory of what happened is likely to be fresher. On the evidence I have I consider it more likely that Mr M did receive at least one out of office reply.

Further, in the same phone call Mr M said he'd left the adviser a " few voicemails". That is not in line with the evidence he has given us. That shows he first got through to L&C by phone on 8 August 2024 and he told us that any other calls just rang out so are not reflected on his phone bill.

Overall, I am not satisfied that Mr M took sufficient steps to mitigate his financial loss. I do not think he reasonably could have understood or believed that the interest rate had been switched. And I consider it more likely on balance that he received an out of office email from L&C on 1 July 2024. So he ought reasonably to have known that there was more he needed to do to make sure the new rate was applied.

That is not to criticise Mr M. He clearly has lost out to some extent because of what happened. But I can only make a decision on the evidence that is presented to me. And I do not consider it sufficiently supports an error by L&C where I could tell it to pay the difference in rates.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 October 2025.

Ken Rose
Ombudsman