

The complaint

Miss C complains that a broker working with Stonebridge Mortgage Solutions Ltd told her she wouldn't be eligible for a five year fixed interest term on the mortgage she was taking out. Miss C said she's now refixed her mortgage, and it costs more because of this advice.

What happened

Miss C says that she took out a mortgage in summer 2021, with the support of a broker working under the umbrella of Stonebridge. Miss C said she had been advised by family to take a fixed interest rate for a five year period. But she said the broker told her she wasn't eligible for that, because banks would consider she couldn't afford a five year fixed rate.

Miss C said her two year fixed rate deal had recently ended, and rates have now risen. She's paying much more for her mortgage now, and in turn she has had to increase the rent on this property, which she rents out. Miss C said this wouldn't have happened if she hadn't taken a two year fixed interest rate in 2021. Miss C says she now understands that she would have been likely to qualify for a five year fixed rate. She wants the broker to pay her losses, which she says are made up of the difference between the mortgage she could have been paying on a five year fixed rate, and the mortgage rate she has recently secured, although Miss C also told us she has passed this cost on to her tenants.

Miss C has sent our service numerous witness statements from friends and family, to support her recollection of what she was told at the time. She's also supplied detailed argument in support of her view that the obvious inference here should be the broker preferred to recommend a two year fixed rate in order to benefit from repeat business when she then needed to remortgage.

The broker said something different. He said Miss C had preferred a two year rate, because she wanted to be able to change the deal, or perhaps even sell the property, after a couple of years. The broker sent our service the mortgage suitability report he had supplied to Miss C. Miss C had shown us the same document.

The broker said nothing in this report (including his very clear notes stating that Miss C had preferred a mortgage from her existing bank, over cheaper products available elsewhere) was challenged at the time. He also said it was his recollection from the time that both a two year and five year fix had been discussed, but Miss C had preferred the two year fixed product over a five year fix, because it was cheaper at the time.

Our investigator said she wouldn't look into the data protection issues that Miss C had raised. Our investigator didn't think Miss C's core complaint about not being offered a five year fixed interest rate should be upheld. She ran through briefly what she would have expected to happen in a broker-led mortgage application, and what evidence she would expect to see. She said that if the option of a five year fixed rate mortgage was discussed at an early stage, and then dropped, there would be no real written evidence of discussion of the five year fixed rate. And this was also in line with the suitability report produced at the time. That report asked Miss C to get in touch with the broker urgently if it didn't reflect their

conversations. As Miss C hadn't done that, our investigator said it was fair to say the report was an accurate report of the conversations at the time. And that report indicated Miss C had opted for a two-year product. Our investigator said this also fit with a number of points Miss C had shared with us about her financial circumstances at the time.

Miss C replied with detailed objections. She argued again that we should infer from the lack of discussion of a five year fixed rate, that the broker had already shut down the conversation around this. Miss C said her witness statements supported what she said, and she intended to take this matter to court if our service didn't find in her favour.

Our investigator didn't change her mind. She said the broker didn't have to send Miss C the mortgage suitability report in hard copy, and Miss C herself had sent this to us, so she did receive it. Our investigator still thought it was reasonable to expect Miss C would have challenged the documents she received if she was unhappy with the product recommended.

Because no agreement was reached, this case was passed to me for a final 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.

I've reached the same overall conclusion on this complaint as our investigator.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service.

I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues.

Miss C's arguments are that we should infer from the broker's behaviour, and the documentation we have, that the broker deliberately steered her away from a longer fixed interest rate she says she wanted and could have qualified for, in the hope of obtaining repeat business in a couple of years' time. But I haven't been able to see that the broad course of events here, or the documentation which both Miss C and the broker have sent us, is out of the ordinary, so that I could fairly draw the inferences Miss C suggests.

The broker in this case has sent us a number of emails that he exchanged with Miss C. Those reflect the conversations that I would expect a broker and client to be having, as a house purchase progresses.

Although there's no agreement between the broker and Miss C as to what happened, and the dispute here centres on the content of discussions between them, they both agree that Miss C was sent a mortgage suitability report.

Miss C now challenges a number of points set out in that report. It's worth noting that Miss C doesn't just contest the part of this report which documents her request for a two year fixed rate on her mortgage. Although this isn't the focus of her complaint, she also contests whether she requested the broker pursue lending from her existing bank.

The report itself asks Miss C to read and retain it. And it says *“If .. you feel this document is an inaccurate record of our discussions, please contact me as soon as possible.”*

This suitability report sets out Miss C’s reasons for choosing a two year rate. It also explains to Miss C that, whilst she’d expressed a preference for mortgage lending from her current bank, other deals were available at the time which were cheaper.

This is an important document, and it should reflect the conversations between the broker and Miss C at the time. As a contemporaneous record of the mortgage application, it carries considerable weight in this case. And Miss C hasn’t suggested that she contested this at the time. That doesn’t seem to fit with what Miss C says now about the content of this document, not limited to her concerns about the length of the fixed term.

I also note that Miss C’s comments have been a little unclear on whether comments about her eligibility for a five year fixed term were made when she was initially enquiring about a Buy To Let (“BTL”) mortgage, or when she was applying for the residential mortgage she in fact obtained. The complaint from Miss C sent to our service refers to comments made about her eligibility for a BTL mortgage, but Miss C has confirmed she obtained a residential mortgage, and then got consent from her lender to rent the property out.

On balance, I’m not able to say that it’s most likely Miss C did ask for a five year fixed interest rate on the residential mortgage she applied for, but was told by her broker that she would not qualify for this, and then pursued a two year rate, without objecting to the content of the suitability report which didn’t reflect her wishes on this or another point. I’m sorry to have to tell Miss C that this means her complaint won’t be upheld.

Miss C also claimed that her broker had contacted a member of her family, asking that person to dissuade her from pursuing her complaint. This wasn’t initially investigated by the brokerage, and our service doesn’t have a final response letter dealing with this issue, so I won’t look at that here.

I know Miss C will be disappointed, but 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 Miss C to accept or reject my decision before 17 July 2025.

Esther Absalom-Gough

Ombudsman