

## **The complaint**

Ms C and Mr S complain that an appointed representative of Mortgage Advice Bureau Limited failed to give them correct and timely information about interest rate products for their mortgage. Mr S has dealt with the complaint. He asks for compensation for additional interest costs due to missing out on a lower interest rate product.

## **What happened**

Ms C and Mr S's mortgage product was due to expire at the end of June 2024. Mr S spoke to an adviser at MAB in early February 2024. Mr S said he wanted a five-year rate. MAB gave him information about the best rates available for two-year, three-year, five-year and 10-year fixed rate products and a tracker product. It checked their current lender's five-year rate, which was more expensive than the five-year rate available elsewhere.

The next day, Mr S sent an email to MAB quoting the two-year rate offered by their existing lender and asking MAB if this would be cheaper for them. While the rate was slightly higher than the two-year rate MAB had quoted, Mr S thought they'd be better off because they wouldn't pay MAB's fee. MAB didn't respond until Mr S sent a further email about a week later, by which time the lender had withdrawn the rate.

MAB contacted Mr S several times to ask if he wanted to meet to discuss what was available. Mr S declined to meet with MAB again until late May 2024. In early June 2024 he told MAB they'd apply for a product switch with their existing lender. This has a higher interest rate than the products available in early February 2024. Mr S says they've lost out on a lower rate due to MAB's incorrect advice and delay in responding to his email in early February 2024.

MAB said it could have provided better service if it had compared Ms C and Mr S's lender's retention rates with the rates it quoted from other lenders. However, since Mr S had this information MAB said this shortcoming didn't cause any loss. MAB said it wasn't unreasonable for the adviser to take four working days to respond to Mr S's email, although he could have let him know when he'd be able to respond. MAB said the adviser couldn't have known the lender would withdraw the rate during this time. It offered £100 for poor service.

Our investigator said MAB's offer of £100 for poor service was fair. She said Mr S and Ms C had all the information they needed to make an informed decision whether to take out the product with their existing lender. They didn't need to wait for a response from MAB.

Mr S didn't agree. He said MAB misled them on the initial call by saying their lender wasn't currently offering competitive rates. He said the reason MAB didn't respond to his email to confirm they'd be better off staying with their lender was because this would mean it wouldn't receive a fee. Mr S said £100 doesn't compensate them for their loss.

## **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 the evidence is incomplete or inconclusive, I make my decision on the balance of probabilities – that is, what I think is more likely in the circumstances.

Mr S spoke to MAB's adviser on 2 February 2024. While I've listened to all of this call, I've only referred below to the parts of the discussion relevant to this complaint.

Mr S told MAB's adviser he didn't want a two-year rate. Mr S said he didn't want to do another switch in two-years' time and incur fees again. He said he probably wanted a five-year product.

MAB said it was possible that interest rates could fall, and there would be a charge for coming out of a five-year fixed rate. The adviser said they needn't dwell too much on the detail at this point – the intention was to have a further meeting and go into more detail then. MAB gave Mr S information about the best five-year, three-year and two-year rates. MAB said two-year rates were going up at the moment.

The adviser said his clients had been moving away from Mr S's current lender recently as its rates weren't currently competitive. It gave Mr S information about the lender's five-year retention rate, which would have cost Mr S and Ms C over £100 a month more than the best five-year rate available. MAB said it was worth remortgaging if they were going for a five-year rate. MAB's adviser said personally, he'd stay away from five-year rates at that time, but understood that this might be right for Ms C and Mr S if they wanted stability.

MAB asked Mr S if he wanted any more quotes. Mr S said he'd think about what term to go for. He said they had big decisions to make in March 2024 that would impact their outgoings and they might need to look for stability. MAB's adviser said he'd send an email with the rates and Mr S could think about it. They agreed to meet again on 9 February 2024.

MAB sent an email to Mr S attaching its disclosure documents and setting out the information it needed from Ms C and Mr S. It set out rates for two-year, three-year, five-year and 10-year fixed rate products and a tracker product. The five-year rate was 3.86% with a product fee of £499 and cash back of £250. The two-year rate was 4.44% with no fees.

MAB told Mr S during the call and in the email that they could secure a new interest rate in case rates increase. It said they'd do a review before the end of June 2024, so if rates fell they could still benefit from the lower rates.

Mr S checked his lender's retention rates the next day. Its two-year rate was 4.46% with no fees. He sent an email to MAB quoting the rate and saying "I think it would be cheaper for me to stay with them than switch?" Mr S didn't receive a response. He sent a further email on 9 February 2024 saying this rate was no longer available and asking if the two-year rate previously quoted by MAB was still available. MAB responded with details of the best two-year rate available and asked if Mr S was free next week to discuss?

Mr S says MAB's adviser failed to turn up to the planned meeting on 9 February 2024. While it's unclear why the agreed meeting on 9 February 2024 didn't go ahead, this doesn't affect the outcome of this complaint.

Mr S raised a complaint with MAB in early June 2024. He says they missed out on the lower interest rate product offered by their lender in early February 2024 because MAB misled him that the lender didn't have competitive products; it didn't give him information about the product during the call; and it didn't respond promptly to his email. He says because of this, MAB is responsible for the additional interest costs they will incur.

I'm sorry to disappoint Mr S. But I don't think it's fair and reasonable to require MAB to pay compensation to Mr S and Ms C for their additional interest costs. I've explained why below.

During the call on 2 February 2024 MAB gave Mr S information about its terms of business, the best rates available at that time, and what information Ms C and Mr S needed to provide for it to progress a mortgage application. MAB didn't recommend a mortgage on 2 February 2024. It seems the intention was to discuss their options in more detail at the next meeting.

MAB's adviser gave Mr S information about their lender's five-year retention rate. This was more expensive than the five-year rate offered by another lender. MAB said it made sense to remortgage if they wanted a five-year rate.

MAB says it should have given Mr S information about their lender's other retention rates, and it was poor service that Mr S had to look for this himself. Mr S says if MAB had included the lender's two-year rate as an option it would have been a very quick and easy decision, and he'd have switched to that deal. I'm not persuaded by that. Mr S sent an email the next day that shows he was aware of his lender's two-year rate, yet he didn't make the switch.

Mr S says he emailed MAB on 3 February 2024 saying he wanted to go ahead with the two-year product MAB had quoted. There's no copy of this email available and I don't know if MAB received it. Either way this doesn't change the outcome of this complaint. MAB couldn't secure an interest rate until it had received the documents and information it had requested from Mr S and Ms C so that it could make a mortgage recommendation and application.

Mr S sent an email on 3 February 2024 saying he thought it would be cheaper to stay with their lender and take out the two-year rate.

Mr S says he didn't go ahead and apply for the product switch because he needed reassurance from MAB that this was cheaper, due to having been misled during the call on 2 February 2024 that the lender wasn't offering competitive rates. I'm not persuaded by that. Mr S provided his calculation to us, as to why he thought they'd be better off staying with their lender. Essentially, the difference in the rates was small and the additional interest would be less than MAB's fee. Mr S owns a number of properties, directly or indirectly, so I'd expect him to have experience of making similar decisions about mortgages previously.

Mr S was aware of the retention rate offered by his lender and the best rate MAB had found elsewhere. Both products were fee free. If all Mr S needed to decide was whether it was cheaper to stay with their lender and take out its two-year rate or remortgage at the two-year rate quoted by MAB, I think he had the information he needed.

MAB had agreed to meet Mr S again on 9 February 2024. There was nothing in the call on 2 February 2024 that would reasonably have suggested to MAB that Mr S wanted to secure a rate before then. Mr S didn't say in the email that he needed urgent advice. I think it was reasonable for MAB to expect to go through Mr S and Ms C's options with them during the next meeting. While it would have been courteous for MAB to reply to Mr S's email to say this, that wouldn't have changed matters. The lender withdrew the two-year rate before then – which MAB couldn't have known would happen.

I think, if Mr S and Ms C wanted to secure the two-year rate with their lender without delay they'd have gone ahead and done so. Based on the available evidence, I'm not persuaded that Mr S and Ms C were intent on securing a rate within a few days of speaking to MAB in early February 2024. And this is further supported by the fact that they didn't go ahead and secure a rate immediately after this.

MAB asked Mr S on 9 February 2024 if he wanted to discuss what it could offer. It made

several further attempts to contact Mr S to see if he wanted to discuss what it could offer. Mr S spoke to a different adviser at MAB in late May 2024 about available rates. He said he'd stay with their existing lender and make the switch application himself.

Mr S and Ms C didn't secure a new product until early June 2024. Mr S says they waited to take out a product as it didn't seem fair they'd have to take out a more expensive product with their lender or elsewhere and pay MAB a broker's fee. He says they waited in the hope that the market would improve. Unfortunately, this wasn't the case. Ms C and Mr S took out a two-year product with a rate of 5.19%.

MAB told Mr S in early February 2024 that the market was volatile and two-year rates were going up. Mr S also commented on the market being volatile. MAB had told Mr S they could secure a rate and review the position closer to their existing product expiring. This would protect them if rates increased, while allowing them to benefit from a lower rate if interest rates fell. I don't think it's fair to find that MAB was responsible for Mr S and Ms C deciding to wait and see if rates fell, without securing a product. If Mr S didn't want to take advice from MAB and pay its fee, he could have looked for mortgage advice elsewhere or spoken direct to his lender.

MAB could have checked and given Mr S information about the two-year rate offered by his lender on 2 February 2024. It could have replied sooner to Mr S's email. But, for the reasons above, I don't think matters would have been different if it had done so. I think if Mr S and Ms C had wanted to secure the two-year rate without delay they could have gone ahead and done so.

### **Putting things right**

MAB offered £100 for poor service. I think that's fair and reasonable in the circumstances.

### **My final decision**

My decision is that Mortgage Advice Bureau Limited should pay £100 to Ms C and Mr S as it offered to do (unless of course it has already made the payment).

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C and Mr S to accept or reject my decision before 28 July 2025.

Ruth Stevenson  
**Ombudsman**