

The complaint

Mr S complains that, although he told Bank of Scotland plc trading as Halifax his priority was a five-year fixed interest rate on his new mortgage, it amended his offer so he didn't benefit from a full five years of fixed interest from completion, and didn't tell him about the change.

What happened

Mr S said that he'd arranged a mortgage with Halifax in March 2020. He said his priority from the outset was a five-year fixed interest rate, with that five-year period starting when the mortgage actually began. Mr S said the Halifax adviser confirmed this requirement repeatedly during the initial call, and he then received a mortgage offer on that basis, which had a fixed rate until May 2025.

Mr S said there were delays with the completion of the property he was buying, and he wasn't able to buy until February 2021. Mr S said his mortgage offer was reissued in early 2021, but Halifax apparently didn't record the conversation then.

Mr S said Halifax didn't tell him then either that the end date for the five-year fixed rate period hadn't been extended so that he could still benefit from a full five years of that rate. And it also didn't tell him that alternative five-year products were available by February 2021. Mr S said if he'd known those things, he wouldn't have gone ahead with the mortgage product he has now.

Mr S said he only found out recently that his fixed interest rate ends in August 2025. So he said his mortgage's fixed rate is about six months shorter than he expected. Mr S says he now faces higher repayments sooner than planned. Mr S said he's current starting his own business, so financial planning is even more important right now.

Mr S said he'd asked for a transcript of the March 2020 call he had with Halifax when he lodged a complaint, but didn't get that until January 2025. Mr S said that greatly extended his uncertainty and prevented him from promptly resolving or escalating his concerns. Mr S said Halifax had paid £300 for this. He said Halifax hadn't provided a call recording for the later conversation about his mortgage, although it had initially claimed he'd have been told then about the revised expiry date for the fixed rate.

Mr S wanted Halifax to extend his five-year fixed rate, and pay compensation.

Halifax said it had written to Mr S on 16 May 2024, saying his complaint wasn't upheld. It said then that after Mr S first spoke to it, on 11 February 2020, it had issued an recommendation and illustration with a clear end date for the fixed rate. Mr S didn't go ahead at that time, but returned later saying he did want to complete his application. Halifax later issued an offer which had a fixed rate end date of 31 August 2025.

Halifax said it would send Mr S a copy of the call recording from 2 November 2020, when he'd spoken to it prior to the later offer being issued. But it didn't send this. In November 2024 Mr S complained again, and Halifax then wrote to him again on 21 March 2025.

In its second letter Halifax said it was sorry that it had taken so long to get a call recording to him, and it paid him £300 for letting him down over the handling of his complaint. But Halifax said it wouldn't change the end date of Mr S's fixed interest rate. Halifax said the date was clear on the documentation it sent out, so it didn't think it had done anything wrong.

Halifax said it had provided Mr S with a mortgage illustration in February 2020, when he'd first asked it about a mortgage. That had a fixed rate of 1.76% until 31 May 2025. Mr S didn't want to go ahead with that. Mr S then returned to restart his application in May 2020, and Halifax then issued a fresh illustration, which had a fixed rate of 1.74% until 31 August 2025.

Halifax said in December 2020 the application still hadn't completed, and Mr S's previous paperwork and valuation was no longer valid. It issued a further illustration then, which was followed by an offer, with a fixed rate of 1.74% until 31 August 2025. That's the offer Mr S accepted, and he finally purchased the property using this borrowing in February 2021.

Our investigator didn't think this complaint should be upheld. She said fixed-rate mortgage products are typically tied to specific end dates, rather than a fixed duration from the start of the mortgage, so what Halifax had done wasn't at all unusual. The offer document Mr S got made clear that the fixed rate would end at the end of August 2025. Mr S chose to go ahead with that. And Halifax wasn't obliged to extend the fixed interest rate term, based on when Mr S completed his purchase.

Our investigator said that Halifax had extended the mortgage offer due to delays with the property being ready, and it didn't have to do that.

Our investigator didn't think Halifax had acted unfairly or made a mistake. She didn't think our service was able to consider Mr S's complaint about how long it took to get a call recording to him, so she said she couldn't comment on whether £300 was fair for that.

Mr S replied to object. He said although Halifax did issue paperwork with the right dates, he still thought Halifax had fallen short, because he'd made clear that he wanted a full five-year fixed rate, and after the property was delayed by factors beyond his control, Halifax didn't give him that five years of fixed interest. Mr S said Halifax also didn't highlight this change.

Mr S said because Halifax had provided repeated extensions, he felt it had a duty to highlight any changes in those extensions, not just include them in revised documentation.

Mr S also wanted to stress that Halifax had told him there was a call recording from early 2021, when he had his final mortgage appointment, but when he asked for it, Halifax said it didn't have it. Mr S said he didn't think an appointment happened then, and it should have.

Mr S said he'd relied on Halifax treating him fairly, and he didn't think it had done that. He said it should have proactively engaged with him about the reduction in the fixed rate period, and it had failed to do so. Mr S said it cannot be considered good practice to expect consumers to detect a significant change, such as the shortening of a fixed-rate period, buried in a multi-page legal document - particularly when their expectations had already been set by prior agreement and repeated communication.

Mr S said again that this had a significant financial impact on him, and said if he'd been properly informed, he may have chosen differently. Mr S wanted us to consider whether Halifax had treated him fairly.

Our investigator didn't change her mind. She said Halifax hadn't been required at the time to do more than set out the fixed rate period in its documentation, and it did that. She said

Halifax wasn't obliged to amend its products to reflect Mr S's preferences. And she said Halifax hadn't been obliged to extend its offer either.

Our investigator said the point Mr S had raised about the call recordings was new, and Mr S would need to raise that with Halifax before she could consider it. But she also said we don't usually look into how a complaint is handled. Our investigator said she understood that Mr S would be affected financially by this, but she still didn't think Halifax had to change the end date of his fixed interest rate.

Mr S wrote again to object. He said we'd said the end date for his fixed term didn't change, but it did, the original offer dated 2 March 2020 had a fixed rate running until 31 May 2025, and the revised offer dated 31 December 2020 changed this to 31 August 2025. And Halifax made that change without discussing this with him.

Mr S also said he didn't accept Halifax's handling of his complaint was irrelevant to the case. He said Halifax had told him it could show that he'd had been directly informed about a revised offer, but then turned out not to have any such recording. Mr S felt that Halifax must have believed it was important to have such a discussion, and because it didn't have the recording, Mr S said that discussion can't have happened.

Mr S wanted his complaint to be passed to an ombudsman for consideration, so it came 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.

Mr S had a call with Halifax on 11 February 2020, where he and Halifax's agent had a detailed discussion of the kind of mortgage Mr S would like to take out. Our service has the transcript of that call, which Mr S supplied, and a recording of the call supplied by Halifax. I have both read the transcript and listened to the call.

Mr S has told our service that he was clear from the start about what he wanted - a five-year fixed rate from the date of completion. I do think Mr S said he wanted a longer fixed interest rate deal, on this call, but I don't think that Mr S made clear on this call that he would expect any fixed interest rate to run from the date of completion. And although he did say he would like a longer fixed rate, to enable him to budget, I can't see that Mr S was quite as committed to a five-year deal as he now suggests. Rather, I can hear him telling the agent he wanted her to look at what Halifax could offer him with a fixed interest period running for a minimum of three years and a maximum of five years.

I can hear that later in the call, Mr S asked about the fact that the fixed term illustration he was being given, ran for a little more than five years. The agent then told him that, although the fixed term was described as being for five years, many of the fixed interest rate deals had a small overhang, so would last for five years and two or three months.

Around the same time on the call, the agent asked when Mr S was thinking of completing his purchase. His purchase was then planned for July 2020, although we know it didn't happen until rather later. The agent indicated he would still be able to purchase with any offer made following that discussion.

So I do think there was some discussion on this call of when the fixed interest rate Mr S was considering in February 2020 would expire. And I also think it was clear that this happened

on a pre-determined date. I don't think Halifax indicated to Mr S that his fixed term interest rate would run for exactly five years from the date of completion.

Mr S received a mortgage offer after this call. Mr S said that *"The original offer (dated 2 March 2020) set the fixed rate until 31/05/2025; the subsequent offer (dated 31 December 2020) changed this to 31/08/2025."* But what Mr S overlooks here is that the fixed interest rate period on his first mortgage offer was also due to end before his purchase was likely to take place. Mr S's first offer was valid until 31 August 2020. He had told Halifax that he wasn't expecting to complete his purchase until July 2020 at the earliest. And the fixed rate on that first offer ended on 31 May 2020.

All of this was, in my view, consistent with the discussion on the call of February 2020. So unfortunately, having reviewed that evidence from the time, it doesn't support Mr S's recollection that he required a five-year fixed interest rate period, running from the actual date his mortgage was drawn down.

I understand Mr S then contacted Halifax again on 22 May, explaining his move-in date had been delayed, and he got a new illustration in May 2020. This had a slightly lower fixed rate of interest, with the fixed period running until 31 August 2025. The offer Mr S later took up, dated 31 December 2020, was consistent with that illustration of May 2020. So his fixed rate was going to end less than five years from when that offer was taken up. The offer which was actually made in December was already for a fixed rate period of less than five years.

I think the documentation Halifax issued was clear. I know Mr S says there should have been a subsequent interview to discuss the changes in the new offer, but I don't think Halifax had to take further express steps, when it issued its documentation, to draw particular provisions of its illustrations, or its subsequent offer, to Mr S's attention.

Mr S also says Halifax should have told him before he completed his purchase, that he could have changed his mind, and taken out a different offer for longer. Mr S says he knows there were already mortgage deals available from Halifax which would have run for longer, and says he may have made a different choice at the time if he'd been properly informed.

With hindsight, I can see it would have been helpful if Halifax had had this conversation with Mr S. It would have avoided any misunderstanding, and possibly prevented this complaint now. But that doesn't mean Halifax has to give him now, the rate it could have offered then.

For me to say Halifax has to honour a longer fixed interest rate period now, I'd have to be able to see not only that this longer deal was available at the same time as Mr S took out this mortgage, but also that it's more than just possible Mr S would have chosen it. I'd have to be able to say it was more likely than not Mr S would have made a different choice at the time.

I know Mr S argues that he would have made a different choice in early 2021, if he'd been given the option. I can well understand that Mr S would like to have made that different choice now, with the knowledge of how much interest rates have increased since. But I have to consider the decision he would have been likely to have made in early 2021, with only the information available to him then. And if it seems to me more likely that he would have made the same choice anyway in early 2021, even with more information, then I cannot fairly ask Halifax to provide a longer fixed interest rate period here.

Halifax has, helpfully, set out what was available to Mr S at the start of February 2021, just before his current mortgage actually completed. Mr S could, as he said, have taken out a rate fixed for a longer period. Halifax was offering a rate fixed until 31 May 2026 at that time.

But there were two significant downsides to the longer rate which was available at the time.

Firstly, the offer was at a much higher rate – 2.32% instead of 1.74%. Halifax said this would have cost Mr S well over £3,000 more across the five years of the fixed rate.

Secondly, Halifax may not simply have changed the offer he held, to these new figures. When Halifax makes a completely fresh mortgage offer, for a new mortgage product, that is underwritten each time. So it's likely Mr S would have had to wait while Halifax considered afresh whether to offer him a mortgage. This would almost certainly have delayed his purchase, and would have involved some risk that he might not be approved again.

Given those differences, and in particular the significantly higher interest that Mr S would have had to commit to paying in order to get a fixed rate until May 2026 instead of August 2025, I cannot say it's most likely that Mr S would have chosen to pursue this option in early 2021, if he had been aware of it. I think it's more likely that he'd have kept his existing offer, with a lower rate, and pushed ahead with his already long-delayed purchase.

I'll now turn to how Halifax has handled Mr S's complaint. Mr S first complained in May 2024, and was issued with a final response letter then. Halifax said in that letter that it would be sending Mr S a recording of the sales call he had in November 2020. Halifax didn't send that, and it's shown our service it doesn't have a recording of a call then. But it also didn't send him the recording it did have, from February 2020, until many months later.

In March 2025, Halifax wrote again. It apologised for not providing the call recording it had, more promptly, and paid Mr S £300 for failings in its customer service. Halifax said it had re-examined Mr S's complaint in full, but still didn't think it had made a mistake in how it had treated his mortgage application.

I do think that our service is able to consider how Halifax handled Mr S's complaint, because as a result of Halifax's delay in sending a call recording, the core concern he had has remained unresolved for him for quite some time. But I also think the payment of £300 that Halifax has made, does provide a fair and reasonable outcome to that part of this complaint. So I won't ask it to do more now.

I know that Mr S 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 Mr S to accept or reject my decision before 21 November 2025.

Esther Absalom-Gough

Ombudsman