

The complaint

Mr Y complaint that Paratus AMC Limited has overcharged interest on his mortgage.

What happened

In 2006 Mr Y took out a mortgage with High Street Home Loans a trading name of GMAC-RFC, which is now known as Paratus. I will refer to Paratus throughout this decision.

Mr Y complains that he has been overcharged interest since the inception of the loan.

I issued a jurisdiction decision. I said that we could only look at events after 9 March 2023 and the rest of the complaint had been referred outside our time limits.

The investigator did not think the complaint should be upheld. Mr Y did not accept what the investigator said.

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 Y has repeatedly asked for more time to provide additional information for us to consider. We have set a number of deadlines which he has missed. Under our rules if a complainant fails to comply with a time limit I can proceed with consideration of the complaint. I am satisfied Mr Y has been given longer than we would usually allow to provide any information if he wished to do so.

When Mr Y took out the mortgage he agreed to a fixed rate for 36 months, then a variable rate, which would be 3.75% above the London Interbank Offered Rate (LIBOR) for the remaining term.

LIBOR was withdrawn in 2022. So lenders that used LIBOR as a reference rate had to find an alternative. Paratus substituted the Bank of England base rate (the base rate) for LIBOR. I can't consider if that was fair as it was an event before 9 March 2023.

I have information about the interest rate that Paratus applied to Mr Y's mortgage from 9 March 2023 until 1 August 2024. I am satisfied that it has remained 3.75% above the base rate. So I do not consider that Paratus has administered the interest rate on Mr Y's mortgage unfairly.

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 Y to accept or reject my decision before 14 August 2025.

Ken Rose
Ombudsman