

The complaint

Mr W complains that The On-Line Partnership Limited (OLP) sold him a two-year fixed rate mortgage when he asked for, and believed he was getting, a five-year fixed rate mortgage.

What happened

In March 2021 Mr W sought advice from OLP regarding mortgages for two properties – his residential property and a buy-to-let property. That advice resulted in the arrangement of a two-year fixed rate mortgage on his residential property and a five-year fixed rate mortgage on his buy to let property.

Mr W says:

- He stated a preference for long-term stability. And that applied to both mortgages.
- He does not recall being taken through both two and five-year options and the suitability letter did not explain why a five-year fixed rate wasn't chosen.
- OLP didn't explain the difference in risk between the two and five-year options or the long-term implications.
- He's experienced financial loss because rates increased and were higher when his two-year fixed rate expired.

Mr W complained to OLP. In its final response letter dated 21 March 2025 OLP confirmed it did not uphold Mr W's complaint. It said its mortgage suitability letter (MSL) noted that Mr W had decided on the two-year fixed following discussions with OLP. And the MSL confirmed what would happen to the interest rate at the end of the fixed rate period. It referred to an email sent to Mr W on 10 March 2021 mentioning both two and five-year fixed rates to show that Mr W was made aware of the availability of both rates. OLP said it didn't need to specifically provide a risk analysis of taking a two-year fixed rate over a five-year fixed rate because it explained what would happen at the end of the fixed rate term and a person of similar mortgage experience to Mr W ought to have known the implications of a two over a five-year fixed rate.

Dissatisfied with OLP's response, Mr W asked us to consider his complaint. He told us he didn't know he was on a two-year fixed rate until it came to an end – he says he thought both mortgages had been set up on 5-year fixed rates.

Our investigator didn't uphold Mr W's complaint. He said, having considered all the evidence available, he was persuaded that OLP assessed Mr W's needs and recommended a product that met his requirements. So, he didn't think OLP provided unsuitable advice.

Mr W didn't agree. He said the advice provided was not suitably evidenced or aligned with his stated goals. He provided detail of a number of reasons why he thought that was the case and why he disagreed with the investigator's opinion.

As Mr W didn't agree with our investigator, his complaint has been 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.

To decide Mr W's complaint, I've thought about whether the evidence available indicates that OLP's advice for Mr W to take a two-year fixed rate mortgage was suitable and whether it informed him he'd applied for and been provided with the same.

In support of the advice given, OLP has provided copies of the following documents:

- Fact find.
- Mortgage illustration dated 9 March 2021.
- Mortgage suitability letter dated 10 March 2021.
- Mortgage offer dated 19 March 2021.
- Email correspondence between Mr W and OLP in March 2021.

The fact find document shows that Mr W's intentions were to obtain one mortgage to allow him to let his current property and another to move to a new residential property. His preferences for each mortgage are addressed separately in the fact find document. The document says that his preference was for a fixed rate of "5+ years" for the property to be let and "2 years" for the property he would live in.

OLP's contact notes show an email sent to Mr W on 5 March 2021 outlining the proposed details of both mortgages. The email confirms plans for a five-year fixed rate on the property to be let and a two-year fixed rate on the property Mr W would live in.

The mortgage illustration dated 9 March 2021 relates to the mortgage for the property Mr W would live in and was based on a fixed interest rate until 31 July 2023.

An email from OLP to Mr W dated 10 March 2021 mentions both two and five-year fixed rates and follows the proposed lender's decision not to reduce rates. It says OLP would call Mr W that day to discuss and take his bank details for payment of the valuation fee. That email appears to have been acknowledged by Mr W and he agreed to "speak soon."

The MSL dated 10 March 2021 shows that the mortgage recommended by OLP for the property Mr W would live in was based on a two-year fixed rate. The MSL says:

"My Recommendations

After making myself familiar with your current financial circumstances, we discussed the various options available to you, including variable, fixed rate and flexible mortgage products. We discussed the advantages, disadvantages and risks associated with each type of mortgage product and you confirmed you understood these before we move forward."

The MSL goes on to confirm that a fixed rate was discussed and recommended before confirming the recommendation for the duration of the fixed rate:

"Initial Benefit Period

In determining the mortgage that is suitable, we considered the length of the initial benefit period as well as the overall term of the mortgage. From our discussions, we

agreed that an initial benefit period of 2 years was the most suitable, given your circumstances and stated priorities.”

Following the above statement is a warning about the rate reverting to the lender's standard variable rate at the end of the fixed rate period. That warning says a competitive deal can be secured to avoid the standard variable rate. But I note, as Mr W has said, there isn't a specific warning that any rate available will be based on the prevailing rates at the time.

The MSL also includes a client declaration which is signed by Mr W (via DocuSign). That says:

“Client Declaration

I have read the contents of this letter, agree that it is an accurate reflection of my current circumstances and the advice I have received.”

The mortgage offer dated 19 March 2021, relating to the property Mr W planned to live in confirmed that the initial interest rate was fixed until 31 July 2023.

Having considered all the above evidence, I would acknowledge that it doesn't 'prove beyond doubt' that Mr W knew he was applying for a two-year fixed rate mortgage or even that OLP informed him of that. I say that because he says he only became aware of that as the fixed rate expired. However, to decide Mr W's complaint, I need to be persuaded on the balance of probabilities, rather than requiring absolute proof of the facts.

The evidence is consistent throughout that, not only was Mr W's preference for a two-year fixed rate for the property he was to live in, but that was what was being applied for and that was what was offered by the lender. While I haven't seen absolute proof that Mr W saw all (or any) of the documents provided in evidence, I think it's likely that he would have raised the matter with OLP if he received nothing confirming the details of his mortgage and the advice given.

I think it's more likely than not, given the existence of the 'DocuSign' signature that Mr W did see the MSL. And, in signing the declaration, he agreed he'd read the contents of the letter. That includes the statements quoted above such as:

“We discussed the advantages, disadvantages and risks associated with each type of mortgage product and you confirmed you understood these before we move forward.”

I would expect borrowers to read the information relating to a mortgage they were about to agree to. That would include all of the above documents, but most importantly the mortgage offer. That would have alerted Mr W to the fact that the mortgage offered by the lender was based on a two year-fixed rate.

Mr W says he wasn't aware he had a two-year fixed rate until it was about to expire. But the documentary evidence from the time of the recommendation and application does not support his recollection of events. So, I think it's more likely than not that OLP informed him adequately that the product recommended and applied for, in relation to the property he was to live in, was based on a two-year fixed rate.

When we consider the suitability of a mortgage recommendation, we can't base that on hindsight – it has to be based on the information provided to the advisor and the borrower's stated aims and preferences.

As events have transpired, Mr W has found that his fixed rate ended at a time when interest rates were higher than at the time of application. So, getting a new interest rate product at the time of the rate's expiry led to more expensive monthly payments. I've noted that Mr W has confirmed his complaint isn't that OLP should have known that interest rates were likely to rise in time for his two-year fixed rate to expire. Instead, he's said he doesn't recall the risks of the different fixed rate terms being explained to him and they weren't explained in the MSL.

The MSL does include confirmation of discussions between OLP and Mr W about the length of the initial fixed rate. In that regard it said:

"In determining the mortgage that is suitable, we considered the length of the initial benefit period..."

As I've said I think it's likely that Mr W signed the declaration on the MSL and in doing so agreed to its contents – in this case agreeing that he did consider the length of the fixed rate period with OLP to determine the suitability of the mortgage. I can't conclude from the above quotation that a discussion around the different fixed rate terms happened in the way Mr W says it should have done. And I agree that a similar explanation doesn't appear in the MSL.

So, I've thought about what it actually is that Mr W expects, in hindsight, to have seen in the MSL or been told in discussions about the different fixed rate terms. Essentially, I think he's asking to have been told that if he opted for a two-year fixed rate, he would have to get a new rate based on the available rates at that time and they might be higher or lower than at the time of advice. And, if he opted for a five-year fixed rate, he would have to get a new rate based on the available rates at that time and they might be higher or lower than at the time of advice and they might be higher or lower than what they might have been if he'd opted for a two-year fixed rate.

I've seen that information was missing from the MSL. So, assuming it was also missing from the discussion around fixed rate terms, I've thought about what difference the insertion of that explanation would have made.

The fact find document indicates that Mr W's preferred fixed rate term for the property he was to live in was two years. As I've said that document is consistent with all the other documentation I've seen, so I think it's more likely than not that was an accurate indication of Mr W's preference at that time. So, for the 'risk information' to change his mind, I think it would have to have told him something he didn't already know and something that would have sparked a significant concern.

I think the 'risk information' itself is relatively obvious to the average person – it is, after all, only telling the borrower they'll need to get a new rate product from those available when their fixed rate ends. But I acknowledge that it may not occur to someone obtaining a mortgage for the first time. Mr W wasn't a first-time buyer/borrower and he was entering into mortgage borrowing for investment purposes. So, while I acknowledge that the inclusion of the 'risk information' may have changed the minds of some borrowers, I'm not persuaded it would have here. That's because I'm not persuaded the 'risk information' would have told Mr W anything he didn't already know.

So, as I don't think the inclusion of the 'risk information' in the MSL would have changed Mr W's preference, I don't think its absence has caused him a financial loss.

Mr W says that his stated preference in the fact find document for a two-year fixed rate is at odds with the advice given two days earlier for a five-year fixed rate in relation to the

property he was to let. He says there is no documented explanation of why his objectives would have changed in such a short time.

I've considered the copy of the fact find document with Mr W's comments in mind. In that document both preferences are noted – Mr W's preference for a two-year fixed rate on the property he was to live in and a five-year fixed rate on the property he was to let. I've seen no indication that was a change in objective. Rather, it appears to me that Mr W had different strategies for his let property and the property he was to live in. I don't think it's unusual that a borrower might 'hedge their bets' in such a way and I don't think it's unusual that a person borrowing for different property purposes would choose different strategies more generally. For example, I've seen that Mr W chose a capital repayment mortgage for the property he was to live in and an interest only mortgage for the one he was to let. So, I don't think the difference represents a change in objectives, I don't think it's unusual, and I don't think it required further explanation.

Overall, having considered the evidence available and all of Mr W submissions, I'm not persuaded that he didn't know he'd applied for a two-year fixed rate mortgage. And I'm not persuaded that further documented explanation of the risk differences between a two and a five-year fixed rate mortgage would have led to a different mortgage choice. So, I don't uphold Mr W's complaint.

My final decision

My final decision is I don't uphold Mr W's complaint about The On-Line Partnership Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 28 August 2025.

Gavin Cook
Ombudsman