

The complaint

Mr F and Miss U complain that Bank of Scotland plc trading as Halifax has treated them unfairly by not offering them the most competitive interest rates available to them on their mortgage.

What happened

Mr F and Miss U have a mortgage with Halifax. Their mortgage is split in three parts all on fixed interest rate deals that end at different times.

In 2023 Halifax wrote to Mr F and Miss U to remind them that the fixed interest rate on a part of their mortgage was coming to an end. They were presented with a list of options. Mr F and Miss U chose an interest rate of 6.07% fixed until 31 January 2026.

In 2025 Halifax wrote to Mr F and Miss U again to remind them that the fixed interest rate on another part of their mortgage was coming to an end. Mr F and Miss U say the best interest rate offered to them by Halifax was 4.68%. This deal didn't come with a product fee.

Mr F and Miss U spoke to an independent broker who found them a fixed interest rate with Halifax at 4.45%. This deal came with an upfront product fee of £999. Mr F and Miss U took this deal.

Mr F and Miss U were unhappy that Halifax was offering different products to them as direct customers as opposed to those offered through an intermediary – so they complained. They said that Halifax is in breach of the Financial Conduct Authority (FCA) Consumer Duty rules which requires firms to provide fair value and enable customers to make effective and informed decisions. They thought that in the circumstances Halifax should waive the £999 product fee that came with the deal they took.

Halifax didn't agree that it had acted unfairly. It said that it uses a variety of channels to market its products, and these are often tailored to appeal to particular customers and satisfy particular business needs. Halifax does not seek to disadvantage any particular group of customers. Equally, there are business and market considerations which influence the deals it offers and where it offers them.

Unhappy with Halifax's response, Mr F and Miss U came to our Service. An investigator looked into things and didn't recommend the complaint be upheld. Mr F and Miss U didn't agree and asked for their case to be decided by an ombudsman.

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.

Having considered everything provided by both parties, I agree with the outcome our investigator has reached. I'll explain why.

I don't think there is anything inherently unfair in a lender choosing to offer different products through different channels, or that it is expressly prohibited to do so by law or the rules and regulations – including the Consumer Duty – that apply.

Under the Consumer Duty, Halifax is required to ensure that its products offer fair value, and that is what I've thought about here.

If Halifax can demonstrate that the product Mr F and Miss U chose offered fair value, by reference to its costs and benefits, then it follows that I am likely to conclude it hasn't treated them unfairly by offering differential pricing to direct and broker introduced customers. So, this is what I have considered.

Delivering fair value isn't just about the price (e.g. the interest rate charged) of a product, but broader considerations such as a product's benefits, costs and target market. The FCA provided specific guidance on differential pricing in relation to the Consumer Duty in FG22/5¹. In section 7 (The price and value outcome) under 7.38, it says that "*the price and value outcome rules do not require firms to charge all customers the same amount*".

So, the FCA's Consumer Duty guidance explicitly states that differential pricing between different groups of customers is allowed. However, I've also thought more broadly about whether the products offered by Halifax represent fair value, and having done so, I don't consider Halifax acted unfairly or unreasonably.

The key difference between the two products here was the upfront fee. The lower interest rate of 4.45% came with a £999 product fee, whereas the higher interest rate of 4.68% didn't. The product fee is effectively the upfront price of a particular deal. A customer may choose to pay this fee to access a lower interest rate. Lenders often offer two versions of the same fixed term deal. One with a higher interest rate and no fee and one with a lower interest rate but a product fee. The fee offsets the lower rate – it's how the lender balances profit across different borrower preferences. In this case Mr F and Miss U opted for the five-year fixed rate with a fee to secure a lower rate.

This method of pricing is comparable across lenders in the wider market, and I don't consider the interest rates offered by Halifax here to be out of line with the rates charged by other lenders for similar products.

It's also not uncommon for lenders to offer different products available through intermediaries. There are differences between choosing a product directly with a lender without receiving advice and using a mortgage broker who recommends a suitable product and manages the application. There are likely to be different costs and benefits in using either channel. For example, going directly to a lender is usually quicker than receiving third party advice. I am satisfied there are likely to be sufficient differences between the two channels to be able to justify pricing them differently.

I'm also satisfied that Halifax treated Mr F and Miss U the same as all other customers with the same characteristics i.e. an existing customer seeking a product switch directly with Halifax at the relevant loan-to-value. I do not consider that Halifax has treated Mr F and Miss U unfairly taking into account the price and value outcome under the Consumer Duty.

So, when considering everything I haven't found that Halifax has treated Mr F and Miss U unfairly in the way that it has charged them on their mortgage. I would also note that Mr F and Miss U had the option to look at what else was available in the wider market and change lender if they were not satisfied with the products offered by Halifax.

¹ [FG22/5: Final non-Handbook Guidance for firms on the Consumer Duty](#)

My final decision

My final decision is that I don't uphold Mr F and Miss U's complaint against Bank of Scotland plc trading as Halifax.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F and Miss U to accept or reject my decision before 1 December 2025.

Arazu Eid
Ombudsman