

## **The complaint**

Mr and Mrs D complain that HSBC UK Bank Plc didn't offer them a new interest rate on their buy to let mortgage.

## **What happened**

Mr and Mrs D have a buy to let mortgage with HSBC. The mortgage was originally taken out in 2016. The interest rate was a tracker rate 2.49% above the Bank of England base rate for the whole mortgage term.

In 2024, Mr and Mrs D looked to see what new interest rates HSBC might have available. They wanted to explore reducing their interest rate to reduce the monthly payments. They tried to switch to a new rate online but were unable to do so. They tried several times during 2024. Eventually they called HSBC to resolve the error with the online system, and arranged a new fixed rate – the new rate took effect in October 2024.

Mr and Mrs D complained. They said that they'd been on the high tracker rate for a long time and HSBC hadn't contacted them to let them know they might be able to take a lower rate. When they tried to do so they were unable to switch online.

HSBC said it didn't pro-actively invite customers to take new interest rates and it was up to Mr and Mrs D to ask for one. It acknowledged they'd experienced errors in trying to switch online. But it said that if Mr and Mrs D had called when they first experienced the errors it could have sorted things out then. So it wouldn't agree to backdate the interest rate they'd now taken. It paid £100 compensation for the inconvenience caused by the error encountered with the online switch.

Our investigator thought that was a fair offer. Mr and Mrs D didn't agree and asked for their complaint to be reviewed by an ombudsman. They said the reason they were unable to switch online was because HSBC hadn't entered their security information properly so they couldn't log in. They said they hadn't contacted HSBC after first having login problems because they were dealing with a family illness, and accepted that was their responsibility. But they didn't think £100 was enough compensation for the error arising in the first place.

## **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.

I'm sorry to hear Mr and Mrs D have had illness in their family. I hope things have improved now and I understand this would have been a difficult time for them when their focus was not on their mortgage.

However, I agree with our investigator that it wouldn't be fair to expect HSBC to put a new interest rate in place from when Mr and Mrs D first tried to switch online in early 2024. The problem they had appears to be related to an error with their security information, and was easily and quickly resolved when they did contact HSBC. Even in their wider circumstances

as they were, I think there was an obligation on them to mitigate any losses. I'm afraid I can't fairly hold HSBC responsible for the delay in implementing the interest rate.

I also don't think HSBC acted unfairly in not inviting Mr and Mrs D to change their interest rate any sooner. The mortgage was on the rate they selected at the start. It's up to customers to ask if they want to make a change. And as responsible people running a property business, I don't think it's unreasonable to expect Mr and Mrs D to keep an eye on the costs of their business and apply for a new interest rate if they think that would be better for them.

That leaves the error HSBC made in not setting up their online access properly. This was a simple matter to resolve, and was resolved quickly when Mr and Mrs D did contact HSBC. I think the real impact of the problem was because Mr and Mrs D didn't do that for six months, rather than because of the error itself. In all the circumstances I think £100 is fair compensation.

### **My final decision**

My final decision is that I don't uphold this complaint. HSBC UK Bank Plc has already paid fair compensation and I don't require it to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D and Mrs D to accept or reject my decision before 6 January 2026.

Simon Pugh  
**Ombudsman**