

The complaint

Mr P complains that, although he only just missed the deadline for fixing a new interest rate on his mortgage with Nationwide Building Society, it charged the standard variable rate for a month. Mr P said that was disproportionate, and Nationwide should give the money back.

What happened

Mr P said he'd fixed his mortgage with Nationwide, before the end of his old fixed rate. But he had still been charged Nationwide's standard variable rate for a month. Mr P said he'd only missed the cutoff date for changing his mortgage by one day, and he thought Nationwide should have backdated his rate switch.

Mr P said the cutoff date for applying for a new rate is only contained in a letter which Nationwide claimed to have sent to him, but he didn't get. He said nowhere else mentioned this date. Mr P said he'd been charged around £750 more for a month, and he thought Nationwide should pay this money back.

Nationwide didn't think it had done anything wrong. It said Mr P's previous fixed interest rate had finished on 31 May 2025. It sent him a reminder letter confirming he'd have to apply for a new product before 25 May 2025 if he wanted that new rate to start in June. But Mr P didn't apply until a couple of days after the deadline, on 27 May. So Nationwide said it had applied the new product from 1 July 2025. It charged Mr P the standard variable rate for June.

Nationwide said it was sorry if Mr P hadn't safely received its letter reminding him of the deadline to take out a new mortgage deal, but it had been sent. Nationwide wouldn't backdate Mr P's new rate.

Our investigator didn't think this complaint should be upheld. He said he'd seen the letter which had been sent to Mr P, and he said it's common for banks to ask for some time to apply a new interest rate to a mortgage. Nationwide had asked Mr P to fix his new rate by 25 May, to give it time to change his account and set up a correct direct debit for the following month. It's unfortunate that Mr P missed this deadline, but our investigator didn't think Nationwide had been unfair.

Mr P thought Nationwide had discretion to backdate his rate switch application, and he said he had been making all his payments on time. He didn't think Nationwide needed time to apply changes to his mortgage. But our investigator didn't change his mind. He said Nationwide had set a fair deadline, and had written to Mr P to alert him to that. It wasn't reasonable to expect Nationwide to apply a rate in less time than this.

Mr P still thought Nationwide had plenty of time to make changes, after his application for a new rate was done and before the next month. Because no agreement was reached, this case 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.

I've reached the same overall conclusion on this complaint as our investigator.

It's clear that Mr P didn't meet the deadline for switching his new rate, if he wanted that rate to start immediately the old rate ended. I know that Mr P said he didn't receive Nationwide's letter about this, but I do think it was sent, and to the right address. So if this letter wasn't safely received and read by Mr P, I'm not able to say that was Nationwide's fault.

Mr P says that Nationwide could have implemented his rate switch before the end of the month, or it could have chosen to backdate it. But my duty here is to "... determine [this complaint] on the basis of what is fair and reasonable in all the circumstances of the case." And it's not unfair or unreasonable for Nationwide to have asked for some time to implement the changes to Mr P's mortgage. As our investigator noted, banks are usually expected to give notice of changes to someone's monthly mortgage payments, and giving a deadline for switching to a new rate allows them a little time to do that.

I can understand Mr P would be very disappointed to find that he's missed the deadline, so that he was charged much more for June's mortgage payment. And I appreciate that he was further disappointed that Nationwide wouldn't then backdate his new rate for him, or return the additional money he was charged for being on the standard variable rate. But Nationwide has only done what it said it would do here, and I am not able, in the circumstances of this case, to say that Nationwide has been unfair or unreasonable. So, whilst I appreciate Mr P will also be disappointed by my decision here, 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 P to accept or reject my decision before 22 December 2025.

Esther Absalom-Gough
Ombudsman