

The complaint

Ms W is unhappy that Rapport Mortgage Services Ltd (Rapport) have not secured the lowest interest rate she could have had when she made an application to purchase a new property.

What happened

Ms W contacted Rapport in June 2024 to discuss her mortgage requirements, and she says she made it clear from the outset that she wanted the lowest interest rate possible. An application was made, and Rapport placed the application with NatWest.

NatWest sent out a mortgage offer on 9 July for a five-year fixed rate at 4.67%. Ms W was borrowing £130,800 on a repayment basis over a 24-year term.

Following on from further discussions between Ms W and the adviser at Rapport on 20 August, changes were made to the application, and NatWest issued another mortgage offer on 28 August for a five-year fixed rate of 4.09%.

Ms W sent messages to the adviser on 4 September to confirm she was hoping to complete by the end of September. Ms W exchanged contracts on 27 September and completed on 4 October.

Ms W said she thought her interest rate would have been lower, so she contacted Rapport. Rapport told Ms W that she did complete on an interest rate of 4.09% but after looking at what was available, she could have had an interest rate of 4.04% which was available on 13 September. They apologised for this and paid Ms W the difference between the two rates - £215.40.

Ms W remained unhappy as she said there was an interest rate of 3.92% for five years that she believes she could have had.

Rapport said that the rate of 3.92% was only available from 24 September and would have been too close to completion to change which is why they didn't offer that interest rate.

Ms W wasn't happy with this as she said she checked online and could see the rate of 3.92% was available from 13 September – so she brought the complaint to the Financial Ombudsman Service.

The complaint was looked at by one of our investigators who upheld the complaint. She said that the interest rate of 3.92% was available from 13 September which was two weeks prior to exchange, so she said that Rapport should pay the difference in the two interest rates of 4.09% and 3.92%. She also said they should pay £200 for the distress caused to Ms W as well as the £215.40 that had already been offered.

Ms W accepted this recommendation, but Rapport disagreed. They said the interest rate of 3.92% wasn't available until 24 September and they knew that Ms W wanted to complete by the end of September. They said this could have delayed matters as there wasn't enough time to make the changes.

They also pointed out that although they didn't agree, they would not pay the amount of £215.40 on top of what was recommended as that would mean paying Ms W twice for the same thing.

But in order to bring the matter to a close, they agreed to pay £200 compensation even though they were satisfied with how they dealt with things.

As the matter couldn't be resolved, the complaint has been passed to me to decide.

I issued a provisional decision on 1 September 2025. I said:

I've considered the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've given careful consideration to all the submissions made by both parties, but I won't address each and every point that has been raised. I'll focus on the matters that I consider most relevant to how I've reached a fair outcome – in keeping with the informal nature of our service.

Having done all that, I don't think this complaint should be upheld. I realise this will be disappointing for Ms W, especially as the investigator found in her favour. But I hope the reasons I have set out below will help her to understand why I am thinking about coming to a different conclusion.

The first mortgage offer that Ms W was sent by NatWest was on 9 July for a five-year fixed rate at 4.67%. And after discussions surrounding purchase price and the deposit, changes were made to the application on 20 August. A new mortgage offer was issued for a five-year fixed rate at 4.09%.

I have seen the text messages that Ms W had with the adviser at Rapport on 4 September and Ms W says she is pushing for completion before the end of September. Ms B also said that she could see that NatWest reduced their rates again so she was hoping they would keep dropping. The adviser said she would keep an eye on interest rates too.

Ms W exchanged on 27 September and completed on 4 October on the interest rate of 4.09%.

Based on the reduction in interest rates, I think Rapport have acknowledged that Ms W would have been eligible for the interest rate of 4.04% which was available on 13 September. I have looked at the interest rates from that day, and the 4.04% was showing. I think the fact that Rapport acknowledged this and agreed to pay the difference in the interest rates of 4.09% and 4.04% over the five years was the right thing to do. This would have put Ms W back in the position she would have been in, had that interest rate of been applied.

But Ms W has said that the lower interest rate of 3.92% was available and this is what she wants the difference against. She said this interest rate was available from 13 September.

I've looked at the interest rates from that date, and I don't agree that it was. On 13 September, the rate showing that Ms W could have had based on the loan to value of her property was 4.04%.

The interest rate of 3.92% wasn't available or effective until 24 September. I have seen an email from NatWest to Rapport which was sent on 23 September, letting them know that interest rates were reducing with effect from 24 September. Based on the fact that Ms W had told her adviser she was aiming to complete before the end of September, I don't think it's likely that there was enough time to turn this around.

When the changes were made to the application on 20 August, a new mortgage offer wasn't sent out until 28 August. So if we follow this timeline, there wouldn't have been enough time. I do agree that this could have delayed things for completion. Ms

W now says she could have postponed exchange of contracts, but Rapport wouldn't have known that. As far as they were aware, Ms W was completing at the end of September. And she did in fact exchange contracts on 27 September – three days after the interest rate changes. This would have left insufficient time to get anything amended before that date.

Ms W has said she has done her own research, and she says the rate of 3.92% was available from 24 September – three days before exchange. But she said they were published on 19 September, so the adviser knew a week before that they were going to change. So she thinks this was still enough time for the changes to happen. I disagree.

I have taken a look at the interest rates which were produced on 19 September. Ms W is correct that the interest rate of 3.92% is showing. But at the top of the published rates, it says the rates are effective from 24 September. This means that Rapport couldn't have secured that interest rate until they became available. The interest rates I have seen show that the 3.92% was not effective until 24 September – and as I have said – there was not sufficient time to change this.

So having reviewed everything carefully, I am not minded to uphold this complaint because Rapport haven't done anything wrong. I do agree that they should pay the difference in the interest rates of 4.09% and 4.04% which is what they initially agreed to do. But I am not intending on recommending any other calculations to be made against the interest rate of 3.92%.

As I am satisfied that Rapport acted reasonably, I am therefore of the mindset that they shouldn't be paying £200 for the distress and inconvenience that was originally recommended.

I appreciate this will come as a disappointment to Ms W, but I hope she can understand my decision based on the reasons I have given.

Developments

Rapport responded to the provisional decision and accepted what I had said. However, Ms W didn't agree and made some further comments. In summary she said:

- Rapport have made a number of oversights and errors during the processing of the mortgage. These include failing to update the mortgage with the revised interest rate on three separate occasions. The first change from 4.67% to 4.09% was only changed after Ms W instigated it. There was never any clear explanation why the adviser failed to action instructions on changing the interest rate.
- Ms W has had several telephone conversations with the adviser about monitoring the changes in interest rates. Even if the change in interest rate to 3.92% was too close to exchange of contracts, if Rapport had followed Ms W's instructions they should have spoken to her and allowed her to make her own decision on how to proceed.
- Ms W is astounded that we are not asking Rapport to pay any compensation because Rapport failed to act on her instructions and set up the mortgage correctly.
- Ms W would like Rapport to pay the difference in the interest rate of 4.09% and 3.92% and pay £200 compensation plus simple interest at 8% as per the investigators previous recommendation.

I reached out to Rapport to see if they were willing to pay £100 compensation to Ms W as on reflection, I do understand the point she is making in that she was told interest rates would be monitored – and she says they were not.

Rapport responded and said while they originally agreed to pay £200 compensation, they believe the £215.40 refund is sufficient. They do not believe that Ms W has been disadvantaged.

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 thought carefully about the comments from both parties, and I have changed my outcome slightly on this complaint.

From the information and evidence, I have been provided with, the first change from 4.67% to 4.09% was due to a change in the application where Ms W was able to obtain a lower interest rate because of the changes made – such as the change to the deposit that was being put down.

There should have been a change from 4.09% to 4.04% as this lower rate was available on 13 September which the adviser missed. The adviser accepted this and Rapport have agreed to pay the difference in interest rates.

I appreciate Ms W's comments surrounding the telephone conversations she had with the adviser where she says it was agreed that they would keep an eye on interest rates for her. And in this instance, it was missed that there was an interest rate reduction on 13 September. I am not doubting that Ms W may have had conversations surrounding this, but Rapport acknowledged this error and have agreed to pay the difference between 4.09% and 4.04%.

I have seen a copy of a text message where the adviser did say she would keep an eye on interest rates so even if this wasn't something that was possible, the adviser did say that she would.

While I can't agree that Rapport have made multiple errors here and while the adviser did say she would keep an eye on interest rates, this was missed – but they have now agreed to put this right. But I do think this had some impact on Ms W.

She had to contact Rapport shortly after completion as she believed that the interest rate should be lower than it was so this did cause her some inconvenience and worry. I appreciate that Rapport have agreed to put this right, but I think it needs to be recognised that they didn't do what they said they would – and that was keeping an eye on the interest rates. Had they done that, Ms W wouldn't have had to contact them to get this resolved. This is why I think that some compensation is due.

Ms W says that the adviser should have let her know about the interest rate changes from 24 September so she could make her own decision about how to proceed. But the adviser knew that Ms W was intending on exchanging contracts at the end of September, so I do understand why they didn't mention this to her. I'm not persuaded that Ms W would have delayed exchange of contracts in order to secure this interest rate.

I appreciate the investigator recommended that Rapport pay the difference in the interest rates and pay Ms W £200 compensation. But after reviewing everything, and for the reasons I've already given in my provisional decision – I still don't agree with this.

But I do think that Rapport should pay Ms W £100 for the error in not keeping an eye on the interest rates as they said they would and the fact that Ms W had to take time out to contact them in order to get this sorted out. This should be done alongside the refund between the two interest rates as already agreed.

My final decision

For the reasons given above and in my provisional decision, I direct Rapport Mortgage Services Ltd to pay Ms W £215.40 if they haven't already done so.

They should also pay Ms W £100 for any inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 20 October 2025.

Maria Drury
Ombudsman