The complaint

Mr G complains that he took out a fixed interest rate product because The Co-operative Bank Plc trading as Platform advised him that interest rates would increase. Interest rates have since fallen. Mr G asks that Platform applies a lower rate to his mortgage or waives the early repayment charge (ERC) so that he can switch products.

What happened

Mr G took out a five-year fixed interest rate product in 2023. He says if Platform hadn't told him interest rates were likely to increase he wouldn't have chosen the product.

Our investigator said while Mr G took out the product on an execution only basis he'd discussed the product during an advised call with Platform's mortgage adviser. Our investigator said Mr G received and acted on advice from Platform. However, our investigator said the recommendation for a five-year product was suitable based on what Mr G had told the mortgage adviser. And, after listening to the call recordings, our investigator said Platform hadn't told Mr G that rates would increase.

Mr G didn't agree. He said he was heavily influenced by the advice he was given and is now locked into an expensive product. He sent a recording of his call with Platform's mortgage adviser on 26 July 2023. Mr G says during this call the mortgage adviser said "*Based on current forecasts, interest rates are likely to increase in the near future*". Mr G says this materially influenced his decision to take out the five-year fixed interest rate product.

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.

The complaint Mr G raised in mid-2024 and brought to this service is that he was told by Platform that interest rates were likely to increase and because of this he took out a five-year fixed rate product. However, interest rates fell. Mr G said he would not have taken out the five-year fixed rate product if he'd known rates might decrease.

Mr G spoke to Platform on 19 July 2023. He wanted the mortgage transferred into his sole name and to take out additional borrowing. Mr G also wanted to take out a new interest rate product. Platform called Mr G the same day to collect information about his circumstances, to see if he met criteria for the changes.

I've listened to recordings of these calls. Platform said Mr G couldn't take out a new rate for the main mortgage account at the same time as making the other changes. He had to decide whether to take out a new product first and then apply for other changes. Or Mr G could apply for the transfer of equity and additional borrowing and, once this completed, take out a new interest rate product for the main mortgage account. After asking for information about Mr G's income and expenditure, Platform said the changes Mr G requested were affordable if the mortgage term was extended.

Mr G asked if the interest rate products on Platform's website were available to existing customers. He said having done some research he wanted the five-year rate on Platform's website. He asked about the timing of the changes to the mortgage and how he could ensure he secured the five-year rate. Mr G said he wanted to do the product switch at the same time as the changes to the mortgage. Platform said this wasn't possible and Mr G had to choose what he wanted to do first. Mr G said he couldn't do the product switch first as this would need consent from the joint account holder. Mr G was unhappy about the process.

Mr G asked whether interest rates would go up. Platform's call handler said he didn't know or how any changes might affect the mortgage interest rates. He offered to book an appointment for Mr G to discuss his application with a mortgage adviser.

Platform booked an appointment for Mr G with a mortgage adviser on 26 July 2023, to discuss changes to the mortgage, including the transfer of equity, additional borrowing and extending the term. This is the call when Mr G says he was told (about 24 minutes into the call) that interest rates would increase.

Having listened to this call, I didn't hear Platform tell Mr G that interest rates would increase. About 45 minutes into the call the adviser asked Mr G if he'd looked at interest rates. Mr G said he'd done some research and Co-op Bank had the lowest five-year rates. The adviser asked Mr G what he thought might happen with interest rates. Mr G said he thought they would rise. The adviser asked Mr G why he'd prefer a fixed rate. Mr G said he was thinking about a five-year rate because he thought it would be lower and he'd know how much he'd need to pay each month with no surprises.

The advisor said they could look for a fixed rate for the additional borrowing or have it on the variable rate. She gave him the rate for a five-year product without a fee. The five-year rate had increased since 19 July 2023. Platform said the lower rate was available for the additional borrowing if the application was submitted that day.

The adviser said Mr G couldn't take out a new rate for the main mortgage account while the application for the transfer of equity was in progress. She said he'd have to apply for a new rate once the transfer of equity was complete and interest rates could change in the meantime. The adviser set out Mr G's options. He could re-mortgage elsewhere, which would allow him to take out the borrowing he needed in his sole name with a new interest rate product. She said Mr G and the other account holder could take out a new product and then apply for the transfer of equity. Or Mr G could do the transfer of equity first and take out a new product for the main mortgage account once this had completed.

Mr G was unhappy with this. He was unhappy that the transfer of equity could take five weeks. He was unhappy that the mortgage would be on the variable rate until the transfer of equity completed and he was unable to take out a new product until then.

During this discussion Mr G asked the adviser what would happen with interest rates. The adviser said she didn't have a crystal ball and she didn't know what interest rates would be doing – Mr G asked how she could expect him to know this. Mr G asked the adviser a number of times how rates might change – he said this is something a mortgage adviser should know. I didn't hear the adviser tell Mr G that rates would increase. She told Mr G several times that she *didn't* know what would happen with interest rates.

Mr G remained unhappy. He didn't want to wait until the transfer of equity completed before he could take out a new product for the main mortgage. Platform recorded a complaint. The call ended without a decision how to take the application forward.

In response to the complaint, Platform said that Mr G could take out the 5.37% five-year rate once the transfer of equity completed, if the rates available at that time weren't better for him. There was no requirement for Mr G to take out this rate. Platform offered this as an option in response to Mr G's complaint that he couldn't take out a new product while his transfer of equity application was in process.

Mr G spoke to the mortgage adviser again on 3 August 2023, to discuss his application for a transfer of equity, additional borrowing and to extend the term. I've listened to this call. During the call, the mortgage adviser said she recommended the five-year product for the additional borrowing. She said she'd based her recommendation for the mortgage term on Mr G taking out the same product for the main mortgage. She said once the application completed Mr G could contact her about switching the product on the main mortgage and noted that the five-year product had been reserved for him. The mortgage adviser didn't tell Mr G during this call that interest rates would increase.

Platform completed a mortgage review and recommendation. This said Mr G thought rates would increase. Platform recommended the five-year fixed rate for the additional borrowing to give Mr G the stability of knowing his payments wouldn't change. That's consistent with the calls I listened to, and what Mr G said on the calls about why he wanted a fixed rate.

For completeness, I should say that I've listened to recordings of other calls between Mr G and Platform. I didn't hear Platform tell Mr G that rates would increase.

Mr G says the recording of the call on 26 July 2023 might be incomplete. I didn't notice any gaps or jumps in the discussion when listening to the call that would suggest this.

I'd also say that even if a member of Platform's staff did say they thought rates would increase (and the available evidence doesn't suggest this) it wouldn't necessarily mean that I'd find it fair and reasonable to require Platform to apply a lower rate to Mr G's mortgage. I'd have to find that this was the reason that Mr G took out the five year rate, and he wouldn't have otherwise done so. The evidence doesn't suggest that was the case. Mr G had already decided on the five-year rate before he spoke to the mortgage adviser – he told Platform this during the calls on 19 and 26 July 2023. It was Mr G who expressed concerns about rates increasing – which led to him raising a complaint about not being able to take out a new product until the other changes to the mortgage were complete.

Mr G took out the five-year rate for the main mortgage on an execution only basis. I don't think that reserving the five-year rate in response to Mr G's complaint is the same as recommending it. But Platform did recommend the five-year rate for the additional borrowing, and it recommended the term extension based on him taking out the same rate for the main mortgage account. In the circumstances, it was reasonable for Mr G to rely on this as a recommendation that the product was suitable for the main mortgage account.

Interest rates have since fallen. But I think the recommendation was suitable based on what Platform knew at the time. Mr G said he wanted a five-year fixed rate product because he'd know how much he'd need to pay each month with no surprises. Based on the available evidence, I don't think Platform told Mr G that interest rates would increase. I can't fairly find that the reason Mr G took out the product was because Platform told him interest rates would increase.

It follows that I don't think it's fair and reasonable to require Platform to apply a lower interest rate to Mr G's mortgage or waive the ERC so he can switch to a different product.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr G to accept or reject my decision before 3 November 2025.

Ruth Stevenson
Ombudsman