

The complaint

Mr and Mrs S complain about how Accord Mortgages Limited handled an application for a mortgage.

What happened

Mr and Mrs S used a third-party broker to apply for a mortgage with Accord. They complain that the mortgage was set up incorrectly on a fixed-rate product without an offset facility. They also complain that the solicitors appointed by Accord delayed completion of the mortgage.

The investigator thought that Accord's offer to let Mr and Mrs S choose an offset mortgage product that was available at the time in question and to pay a total of £500 compensation was fair.

Mr and Mrs S did not accept what the investigator said, they responded to say:

- They have been left with a mortgage they did not apply for or want.
- What has been offered is an alternative they would never have considered or applied for.
- £500 does not cover their financial loss.
- Accord had told them that it could offer either an interest rate at the time or a current rate.
- Accord knew that an offset product was required – they'd opened an offset savings account.
- Accord had now closed their offset savings account.

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 evidence I have does not support there was any error by Accord in setting up the fixed rate product. Mr and Mrs S were receiving mortgage advice from a broker. It was reasonable for Accord to rely on instructions it received from the broker that was acting on their behalf. While I can see that the broker initially submitted applications for offset products, the final application submitted was for a fixed rate that did not have an offset facility. Accord acted in line with the instruction it had received and set the mortgage up on that basis.

I do not consider the fact that Mr and Mrs S had an offset savings account would necessarily alert Accord to a problem. It is not unusual for a customer's needs or preferences to change over the course of a mortgage application. And ultimately it was for the mortgage broker to check that the offer they'd received was in line with Mr and Mrs S's wishes.

Therefore, I consider Accord's offer to allow Mr and Mrs S to switch to a mortgage product that was available in September 2024 is fair – indeed it goes further than I could have in the circumstances.

I would add that even if I were to uphold the complaint, the remedy would be to put Mr and Mrs S in the position they would have been in had they been treated fairly. In the

circumstances, that would appear to be a mortgage offered by Accord in September 2024 with an offset facility. They could never have had a rate that is available now. If I had upheld the complaint, the only difference is that I would have told Accord to backdate any offset benefit. But as it has not made any error, I could not tell it to do that.

Accord has already paid £200 for delays that were caused during the conveyancing process. It has offered a further £300 to reflect additional confusion caused by raising Mr and Mrs S's hopes that they could switch to a product from Accord's current range.

Overall, I consider a total payment of £500 is fair to reflect any distress or inconvenience caused by the delays and the incorrect information. Our guidelines say that we'd make an award between £300 and £750 where the impact of a business's mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out. Typically, the impact lasts over many weeks or months. I consider the impact on Mr and Mrs S because of the delays and incorrect information to be in line with that.

My final decision

My final decision is that Accord Mortgages Ltd should:

- Honour its offer to allow Mr and Mrs S to switch their mortgage to an offset product that was available in September 2024.
- Pay Mr and Mrs S £300 on top of the £200 it has already paid them.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 2 March 2026.

Ken Rose
Ombudsman