

## The complaint

Miss G and Mr M have complained about the service they received from First Complete Limited trading as PRIMIS Mortgage Network in respect of their mortgage. They've said PRIMIS failed to ensure their new mortgage product was put in place which meant, when their existing rate ended, they were charged interest at their lender's reversionary variable rate for a month.

## What happened

Miss G and Mr M have a mortgage with a lender I'll call T. They had a rate of interest that was fixed until 28 February 2025, after which it would move to the reversionary variable rate.

Miss G and Mr M spoke to an adviser at PRIMIS and they submitted an application to T for a product transfer.

On 23 December 2024 T issued a product transfer mortgage offer. A copy of that was sent to PRIMIS, and T has shown it sent a separate copy in the post directly to Miss G and Mr M. The offer said the new mortgage product was a fixed rate of 4.49% until 30 April 2027. The offer said the monthly payment during the fixed rate period would be around £1,180 a month.

The mortgage offer said:

"This mortgage offer letter is dated 23 December 2024. It is conditional upon the accompanying Application Declaration being signed and returned to us."

And

"You are referred to the document entitled Application Declaration which accompanies this offer letter. It sets out the statements we ask you to agree to and upon which we intend to rely. You'll need to sign and return this document if you wish to proceed with this application."

It came to light on 27 February 2025 that the product transfer hadn't been finalised because T hadn't received the signed application declaration from Miss G and Mr M.

On 27 February Miss G and Mr M provided a copy of the signed declaration, and PRIMIS uploaded it to T's portal.

T confirmed to PRIMIS that the product transfer would take effect from 1 March 2025 and PRIMIS passed that information onto Miss G and Mr M.

On 3 March T collected a payment of around £1,700 by direct debit and Miss G and Mr M raised a complaint as that was the payment due at the reversionary rate, rather than the payment due at the lower fixed rate.

PRIMIS didn't uphold the complaint. It said T sent the mortgage offer to Miss G and Mr M and that would have contained the declaration they needed to sign and return directly to T, with the offer being clear the declaration needed to be signed and returned for the product

transfer to take place. PRIMIS said it didn't find out until it did its final checks that Miss G and Mr M hadn't signed and returned the declaration, and so it obtained a copy of it and arranged for it to be done, with it being uploaded to T on 28 February 2025. PRIMIS said it then received an email from T the same day which confirmed the new rate would be applied from 1 March 2025 as originally intended.

Our Investigator thought PRIMIS should have done more. She said if PRIMIS had done its final checks sooner then this matter would have come to light. To put things right she said PRIMIS should pay around £580 compensation to Miss G and Mr M, which was the difference between the monthly payment that was due on the new fixed rate, and the amount they instead paid in March 2025.

PRIMIS didn't agree. It said the mortgage offer was clear what Miss G and Mr M needed to do to accept it and it couldn't do that for them. It said it had no way of knowing that Miss G and Mr M hadn't signed and returned the declaration as that was between them and T.

### **What I've decided – and why**

I issued a provisional decision in November 2025, the findings of which said:

“Although I've read and considered the whole file I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

This complaint is just about PRIMIS so I can't comment on Miss G and Mr M's claim that they didn't receive the declaration to sign in the post (which T has said it sent to them enclosed with the mortgage offer by royal mail). If Miss G and Mr M want to complain about that, then they would need to make that complaint to their lender, T, directly.

I think perhaps PRIMIS could have done more here as I don't agree its role ended when the mortgage offer was produced as part of "arranging a regulated mortgage" is making sure the arrangements are effective and, as part of that, it could be argued that it was important Miss G and Mr M understood they needed to sign and return the application declaration. As PRIMIS knows, we decide each case on its individual merits, and the fact we have said on another case that its role ended when the offer is made doesn't mean the same applies here. Not least because the remainder of that sentence was “and the legalities of the purchase/mortgage are taken over by the Solicitors” but there weren't any solicitors here to “take over”.

All that said, I must also keep in mind that Miss G and Mr M received a copy of the mortgage offer and that clearly said an application declaration needed to be signed and returned. I'm not persuaded by their arguments that they were told by PRIMIS that nothing needed to be signed as it simply wouldn't make sense for the PRIMIS adviser to say that, not least because PRIMIS would only get paid its commission if the product transfer completed, and it wouldn't complete without the application declaration being signed and returned. It may be there was a conversation and PRIMIS said nothing needed to be signed on its side, or it could be the conversation was about the protection needs PRIMIS was also dealing with at the same time. We have no way of knowing for sure as the calls weren't recorded, but I'm not persuaded Miss G and Mr M explicitly asked PRIMIS whether there was anything they needed to sign for the mortgage to accept the mortgage offer and PRIMIS said no.

However, even if I were to conclude that PRIMIS should have done more I then need to be satisfied that this led to a financial loss that Miss G and Mr M had no way of mitigating. This is where this complaint fails.

There seems to have been a fundamental misunderstanding about what actually happened with Miss G and Mr M's new rate. They've said it didn't take effect until 1 April, but we have contacted T directly and it has confirmed the rate did take effect from 1 March so at no point were Miss G and Mr M charged interest at the reversionary rate.

What did happen, however, was that because their monthly payment was paid by direct debit on 3 March, at the time the direct debit was called for (which would have been on or before 27 February as that was only two working days prior) T believed the mortgage would be moving to the reversionary rate because Miss G and Mr M hadn't signed and returned the declaration to accept the new fixed rate. That means the direct debit collection amount was set at the amount needed to pay the mortgage at the reversionary rate and that couldn't be changed.

However, although that higher amount was collected, the mortgage was charged interest at the lower fixed rate of 4.49%.

So Miss G and Mr M's claims that the adviser lied to them that the rate change would go through on 1 March as originally intended all fall away, as that was factually correct; the rate change did go through on that day. It is just unfortunate that Miss G and Mr M's payment due date was so early in the month that the direct debit couldn't be amended in time to take account of that new rate. Had their payment due date instead been around the middle of the month then I've no reason to believe that the lower amount wouldn't have been collected.

I understand from Miss G and Mr M's submissions, and the information we've received directly from T, that there were discussions about the payment due on 3 March. Miss G and Mr M have said T gave them the option to pay a reduced amount, but they didn't go ahead with that as PRIMIS reassured them the rate would take effect from 1 March.

Miss G said in emails to PRIMIS "I was explicitly reassured that I would only be paying the agreed rate and would not be charged the variable rate" and "When [PRIMIS] later called to congratulate me on securing the mortgage rate, I double-checked by asking if I would be paying that rate and not the variable rate. [PRIMIS] confirmed with a clear "Yes."" But that is what happened, Miss G and Mr M did pay the agreed rate and weren't charged the variable rate. But, due to when their direct debit collects it was too late to change that, so a higher payment was collected than they were charged.

This may seem confusing, and that is understandable. But I can reassure Miss G and Mr M that the evidence T has provided shows the interest rates they have been charged on their mortgage were 1.79% until 28 February 2025 and then 4.49% from 1 March 2025 onwards. At no time were Miss G and Mr M charged the much higher reversionary rate of interest.

I agree Miss G and Mr M paid around £520 more in March than they expected, but that was just because it was too late to amend their direct debit that was collected on 3 March. That extra amount would have come off their mortgage balance and so their mortgage balance is now lower than it would have been had the direct debit been able to be amended in time.

That isn't money Miss G and Mr M have "lost" as it has been credited to their mortgage, and had they asked T at the time it is possible it could have refunded that amount to them (I don't know for sure, but it is a conversation they could have had).

It is unfortunate Miss G and Mr M chose not to take T up on its offer of accepting a lower amount for the March payment, but I can't hold PRIMIS liable for that as all the

information it gave Miss G and Mr M was correct, in that the rate would take effect from 1 March.

It seems Miss G and Mr M and the adviser may have been talking at cross purposes, as the only thing the adviser could assure Miss G and Mr M on was that the rate was going to take effect from 1 March, which it did. It seems the confusion came about because the next payment was made on 3 March, and that is something the adviser couldn't discuss with Miss G and Mr M as that was outside of their control. That was a matter to be discussed between Miss G and Mr M and their lender, T. PRIMIS would also have no power to tell T to take an amount different to that which was due to be collected by direct debit, only Miss G and Mr M could have that conversation with T and make that request.

In the end I think this case comes down to simple bad luck and bad timing, as PRIMIS did get the rate put in place to take effect from 1 March, it is just unfortunate that Miss G and Mr M's direct debit was already in flight so it was too late for the payment amount to be amended. Miss G and Mr M haven't incurred a financial loss on their mortgage as the correct interest rate was charged to the account, and they had two options to mitigate any potential losses elsewhere (such as extra use of their overdraft) by either accepting T's offer to make a lower payment or to ask T after the event if it could refund the additional £520 to them. But Miss G and Mr M haven't actually "lost" that £520 as it has been credited to their mortgage account – and it will mean they will pay less interest on their mortgage in the long run, given that the balance is lower than it would otherwise have been.

Having considered everything very carefully, whilst I can understand what a shock it was to Miss G and Mr M to find their mortgage payment for March 2025 was much higher than they expected, I'm not provisionally minded to uphold this complaint and make any award for all the reasons given."

PRIMIS said it had nothing further to add. Miss G and Mr M responded to say that they weren't aware T had added the difference they paid onto their mortgage. They said there had been a lack of communication which is why they ended up in the position they got themselves into, despite paying a broker fee.

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

Having done so, and having considered the full file afresh, in the absence of any new information from either side I see no reason to depart from the findings I reached in my provisional decision.

Miss G and Mr M say they weren't aware T had added the difference onto their mortgage, but as I explained in my provisional decision that would be a matter between them and T. PRIMIS wouldn't be involved in matters to do with the payments made and the balance of the mortgage.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G and Mr M to accept or reject my decision before 12 January 2026

Julia Meadows

**Ombudsman**