

The complaint

Mr B complains that Accord Mortgages Limited trading as Accord Mortgages didn't support him during a period of financial difficulty. He says he was misled about the amount of the monthly payments and when a new interest rate product would start.

What happened

Mr B took out a mortgage with Accord in 2022. In mid-2024 he asked Accord to allow him to switch temporarily to interest only payments. Accord agreed to this for six-months under the terms of the Mortgage Charter. It agreed to another seven months as a concession to help Mr B while he was in financial difficulties. Accord didn't agree to extend this further and the mortgage returned to a repayment basis in August 2025.

Mr B spoke to Accord about taking out a new interest rate product. He says he was pressured to take out the product and misled about the monthly payments (they are £4 more than he expected), and when the product would start.

Mr B said Accord should have allowed him to continue with interest only payments, which was comfortable and affordable, until he finds employment and his finances improve.

Our investigator said Accord offered to discuss forbearance measures with Mr B. It didn't have to keep his mortgage on interest only terms indefinitely. She said the product transfer offer said the monthly payments were a projection. Our investigator said Accord's offer of £120 was fair for not highlighting this when discussing the product with Mr B. She said Mr B would likely have still taken out the product rather than stay on the higher variable rate.

Mr B didn't agree and asked that an ombudsman reconsider the complaint. He said Accord should have let him continue to make interest only payments, while he was out of work.

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.

Mr B's fixed interest rate product expired on 31 August 2024. Mr B contacted Accord in July 2024 to ask to switch to interest only payments temporarily, until interest rates came down. Accord explained his options under the mortgage charter and Mr B decided to go ahead.

In December 2024 Mr B said he wanted to extend the interest only concession. He told Accord he didn't want to take out a new product as he expected rates to come down in 2025. Mr B said he'd lost his job in November 2025 and was receiving benefits.

Accord reviewed Mr B's income and expenditure in January 2025. It agreed to accept interest only payments for three months. It said the maximum period for an interest only concession is six months in any 24-month period. It said a further three months wasn't guaranteed.

In April 2025, Mr B asked to extend the interest only concession for another three months.

He expected a reduction in the Bank of England base rate. Accord referred the request internally, before agreeing to a further three months of interest only payments.

In May 2025 Mr B asked to extend the interest only concession. Accord said he'd already had the maximum six months on interest only terms. Mr B asked to switch permanently to interest only terms. Accord said it would have to assess his income and repayment strategy. There was a discussion about taking out a preferential interest rate product, and it was left that Mr B would call in July 2025 when the interest only concession had ended and Accord had updated its products.

In mid-July 2025 Mr B asked for a further interest only concession. Accord declined. Mr B didn't want to discuss any forbearance options that would result in arrears. Accord agreed to accept an interest only payment in July 2025. Mr B said he'd call about a new product in August 2025, after the next meeting of the Bank of England's monetary policy committee.

Mr B spoke to Accord in mid-August 2025 and chose a new fixed rate. He asked Accord if he could make an interest only payment in August 2025, until the product took effect. Accord declined.

At this point, Mr B raised his complaint. He says he was misled about the amount of the monthly payments after taking out the new product. He was pressured into taking out the product. And Accord should have allowed him to remain on interest only terms instead.

The new interest rate product

Mr B spoke to Accord's mortgage adviser in mid-August 2025. Mr B asked the mortgage adviser about tracker rates, so that he could benefit from a cut in the Bank of England base rate. Accord said the tracker rates were higher than fixed rates, and while rates could come down they could also go up. Mr B said a fixed rate could be a better option for him as he'd know what he needs to pay and he'd have peace of mind. He preferred a two-year or three-year rate as he expects rates to come down over time.

The mortgage adviser sent the product transfer documents to Mr B, for him to review. When she spoke to Mr B again he said he'd worked out that his monthly payments with the new product and on capital repayment terms would be only about £56 more (as compared to being on interest only terms on the variable rate). Plus he'd know what his payments were each month, he'd be reducing his balance and he wouldn't have to keep contacting Accord to ask for concessions.

Mr B agreed to waive the 14 day reflection period. Accord said it would send an acceptance form for Mr B to return. It told Mr B it would take the admin team about five days to complete the transfer. Accord said Mr B would know that his payments from September 2025 would be about £410.

Mr B received a letter in August 2025 confirming the product was in place and his new monthly payment would be about £414. He's upset that the payment is more than he'd expected.

I should explain that I've used rounded numbers here. That's so that Mr B can't be identified when my decision is published.

Accord told Mr B that the £410 amount is a projection, which can change depending when the product is applied. Accord said it should have explained this to Mr B during the call and paid compensation of £120. I think that's fair. Accord's payment was for the upset caused by it not explaining that the actual amount of the contractual monthly payments could be

different. But on a mathematical basis, this would cover the difference of £4 in the payments over 30 months – more than the 27 months that the product will be in place.

There was a discussion during the call about when the new rate would be in place. Accord said the earliest the rate could be in place was around 22 August 2025. I agree that Accord should have been clearer that the £410 amount is a projection, and the actual monthly payments could be different. This was important to Mr B who monitors his mortgage costs closely. Providing clearer information might have avoided Mr B's worry and anxiety when he was told the product was in place earlier than expected and the payments would be £414. But I don't think Mr B is worse off financially.

The new product has an interest rate of 4.88% until November 2027. This is lower than the discounted variable rate Mr B's mortgage was on. Mr B will pay less interest as a result of the product being applied sooner.

Mr B says the arrears came about because of errors by Accord. I can't fairly agree with that. The arrears came about because Mr B didn't make the payment due in August 2025 in full.

Mr B told Accord he couldn't afford the payment due in August 2025 in full. I don't think this was anything to do with when the product took effect, as Mr B said this before accepting the product. He asked Accord to accept an interest only payment for August 2025. Despite Accord not agreeing to this, Mr B paid the same amount as he'd been paying while on interest only terms. The payment due (and therefore the amount of the arrears) would have been higher if Accord had not applied the new interest rate in August 2025.

Mr B says he'll pay £410 each month. It's not clear whether this is because that's what he expected when he accepted the product. Or because he's unable to pay more. If he's unable to pay £414 he should contact Accord to discuss this.

It might be worth noting here that the payments Mr B makes are paid into his mortgage account. They are used to pay accrued interest and repay part of his mortgage balance. Accord calculates the amount of the monthly payments with the aim that the mortgage balance is repaid by the end of the term. If I require Accord to accept £410 each month Mr B would be making underpayments and not reducing his balance as quickly. I don't think this would benefit Mr B over the long term.

Mr B says he can't understand why Accord offered him a new product when it knows he's unemployed. Accord doesn't have to decline to offer a new product just because a customer's income is from benefits. While it wouldn't be fair for Accord to offer Mr B a new product with an early repayment charge if it thought his financial difficulties were likely to result in him having to sell the property during the product term, I don't think that's the case here. Mr B's mortgage was not in arrears when Accord offered him the product. Mr B told Accord he was comfortable with the projected payments and he'd reduce other outgoings if need be.

Mr B says he might have been better off waiting to take out a new product, as the Bank of England reduced the base rate in December 2025. I don't know if he is or not, as he had the benefit of a lower interest rate since August 2025, as compared to staying on the variable rate. But Mr B knew when he took out the product that rates could fall (or rise). He told Accord he thought rates would reduce over time and chose a two year product so that he can take advantage of lower rates when it expires. I don't think it was unfair for Accord to offer Mr B a preferential interest rate product simply because rates might fall.

Should Accord have allowed Mr B to stay on interest only terms?

Mr B wants to remain in his home. His income reduced when he became unemployed and he says Accord could have allowed him to stay on interest only payments terms until he finds work. I understand this. But I also understand why Accord declined his request.

Accord said a permanent switch to interest only would require it to assess Mr B's income and his repayment strategy. I think that's fair. Rules on mortgage regulation require Accord to check affordability before agreeing to amend a mortgage. For an interest only mortgage, that includes checking there's a credible repayment strategy. Mr B told the mortgage adviser he doesn't have means to repay the balance if he had an interest only mortgage.

Accord agreed Mr B could make interest only payments on a temporary basis, to allow him time to get his finances back on track. In all, Mr B's mortgage was on interest only terms for 13 months. I appreciate Mr B tried to find work, and this is not easy. But I think Accord allowed him a reasonable amount of time on an interest only basis.

While Mr B is on interest only terms he isn't repaying any capital. When he returns to a capital repayment basis his monthly payments will increase (as he will have to repay the capital over a shorter period). I appreciate that Mr B wants to keep his payments low until he finds employment. But there's no clear timescale for that. I can't fairly require Accord to allow Mr B to stay on interest only terms indefinitely. This could ultimately put Mr B into a worse position. And other options were potentially available to Mr B. While Accord has to consider fairly what support it can offer Mr B, it doesn't have to agree to his preferred solution.

Mr B asked Accord to accept an interest only payment for August 2025. Accord didn't agree to this. Accord made Mr B aware on several occasions that there's a limit to the time it allows customers to remain on interest only terms, and Mr B had passed this limit. I can't fairly find that Accord was responsible for the arrears that came about due to Mr B making an interest only payment in August 2025, which it hadn't agreed to.

In late 2024 and the first half of 2025, Mr B told Accord he didn't want to take out a preferential interest rate, which would have reduced his interest costs. He expected lower rates to become available in future. Accord offered to discuss forbearance options, but Mr B didn't want to discuss forbearance options that might result in arrears. Accord also suggested Mr B look into what Government help he might be entitled to, such as support with mortgage interest. I think it was fair for Accord to offer these options.

What happens now?

Mr B made considerable efforts to stay up to date with his mortgage after becoming unemployed. I appreciate how worrying and stressful this must have been, and I hope Mr B will find employment and his financial situation will improve.

I also hope Mr B will be able to maintain mortgage payments while his mortgage is on the lower product rate. If not, Mr B should contact Accord to see what support it can offer. Accord has to treat Mr B fairly, and consider what support he can offer.

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 B to accept or reject my decision before 5 March 2026.

Ruth Stevenson
Ombudsman