

The complaint

Mr F complains that Mortgage Advice Bureau Limited (MAB) failed to secure him a reduced interest rate for his mortgage when interest rates fell.

The adviser worked for an appointed representative of MAB, as opposed to MAB itself, but I shall refer to MAB throughout this decision for ease.

What happened

Mr F used MAB as a mortgage broker when he was looking to take out a mortgage in July 2024. An interest rate product was recommended and a mortgage offer was issued. Mr F says that, following this, he was led to believe that MAB was securing a lower interest rate as the purchase of his property progressed. When the mortgage completed, he realised that the broker had not done this as the rate had not changed, despite the fact that interest rates had reduced throughout the application process. Mr F says that the broker suggested that he needed to ask in writing if he wanted to secure a lower interest rate but he says that he was unaware of this. He says that the sole purpose for using a broker was to secure a lower interest rate so he does not believe that a written request should have been necessary.

Mr F feels that he would have secured a lower rate himself if he had not employed the broker, which would have saved him a significant amount of money on a five-year fixed rate. He would like MAB to reimburse him the amount he would have saved if it had secured him the lowest rate.

MAB says that a fact-find meeting was held with Mr F and the adviser recommended a five-year fixed rate mortgage. An application was submitted on 23 July 2024 and a Mortgage Suitability Report was issued to Mr F by email on the same day. MAB says that this clearly stated that if Mr F wanted the adviser to review the interest rate available to him after an offer was made then he would have to request such a review in writing in advance of the mortgage completing.

A mortgage offer was issued on 27 August 2024. Following this, the adviser sent Mr F emails saying that she would be reviewing the rates and would keep Mr F updated. However, MAB says that the adviser received no request from Mr F to review the interest rate. MAB says that although a review of interest rates available to Mr F was done on 11 September 2024, there is no record of any revised mortgage illustration being provided or any lower interest rate being quoted to Mr F by the adviser. Therefore, it did not consider that there was any failure on the part of the adviser to secure a specific lower rate of interest for Mr F.

However, MAB considered that conflicting information was provided both regarding the action which would be taken to review any changes in interest rates offered by the lender and the action required to apply for a lower rate of interest if such a rate became available. MAB accepted that, in the emails sent to Mr F following the offer, Mr F was given the expectation that the adviser would contact him if a better interest rate potentially became available. To reflect the conflicting information Mr F was given and his loss of expectation in not being contacted regarding any change in the interest rates, MAB upheld Mr F's complaint in part and offered him £100 to reflect this.

Our Investigator looked into Mr F's complaint and, having reviewed the emails sent by the adviser, was persuaded that Mr F would have expected the broker to review the rates on offer and revert back to him. He concluded that the adviser should have reviewed the rates as they stated they would and informed Mr F of any reductions. Had they done so, the Investigator was of the view that it was more likely than not that Mr F would have accepted and secured a lower interest rate. The Investigator therefore recommended that MAB cover the difference in the monthly payments between what Mr F will pay at 4.67% and what he would have paid had the broker secured the like-for-like 4.34% rate as expected for the five-year fixed rate period. He also recommended that MAB increase the offer from £100 to £300 to reflect the level of distress and inconvenience caused to Mr F.

MAB disagreed with this, so the case has come to me to make a decision. It says that advisers are required to ensure suitability at the point of recommendation and not to proactively monitor and act on rate changes unless specifically instructed. MAB acknowledged that the adviser had engaged in 'informal discussions' with Mr F regarding potential rate changes but said that no further instruction was received from Mr F and that no revised mortgage illustration was issued or application submitted. Given the guidance in the Suitability Report that a rate review must be requested in writing, MAB says that it is not reasonable to conclude that the adviser failed in their duty.

MAB disagreed with the redress recommended by the Investigator. Whilst it agrees that there was a loss of expectation due to the contradictory emails sent, it says that no specific revised interest rate was discussed with Mr F. As no new application was made to the lender, MAB says that it cannot be stated with 100% certainty that the lender would have offered any revised interest rate to Mr F. Further, it cannot be determined whether an application for a revised offer would have been in Mr F's best interests, for example if it had delayed completion or caused the lender to reassess the application. MAB therefore says that it is unfair to use an alternative interest rate to calculate redress as no such rate was discussed with or promised to Mr F.

I set out in my provisional decision dated 21 January 2026 (reproduced below) why I was still minded to uphold the complaint but recommend different redress to that suggested by the Investigator, in terms of the rate used for comparison.

I invited both parties to let me have any further comments and evidence by 4 February 2026, subsequently extended to 13 February 2026. Mr F responded to say that he agreed with the provisional decision and would like to accept it. MAB did not respond.

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.

Having considered the responses to my provisional decision dated 21 January 2025, I remain of the view that this complaint should be upheld.

In my provisional decision I set out the following:

"I have looked at the Mortgage Suitability Report dated 23 July 2024, which recommended a five-year fixed rate product. Under the section titled "Your Decision", it states "The rate applied for on your mortgage was based on the rates available on the date of your application as per the illustration I provided. Interest rates can change after an application is made and if you would like to review your product or rate you will need to contact me in advance of your mortgage completing to do so. There is no guarantee I will be able to change your product, and you may also incur additional costs in doing so".

The Mortgage Offer was issued on 27 August 2024. On the following day, MAB emailed Mr F confirming that a copy of had been emailed to him and stating that the adviser “*will be reviewing the rates*” and that “*If anything comes up better she will be in touch so we can revise the new offer*”. On 12 September, the adviser sent Mr F an email referring to a conversation they had the previous day and stating “*[the lender] are reviewing their rates again tomorrow; I will update you again once I have looked over the options*”. On 25 September 2024, the adviser sent Mr F a further email stating “*We have seen further rate reductions this week, so I will check to see if it is worth changing the rate now or later after the next BOE (Bank of England) review*”.

MAB says that while the adviser’s emails expressed an intention to review rates, these were ‘informal and exploratory in nature’ and did not constitute a binding commitment or override the formal process outlined in the Suitability Report.

I disagree with this. Although the Suitability Report said that Mr F would need to contact the adviser if he would like the rate to be reviewed, this was superseded by the emails from the adviser stating that she was already reviewing the rates, that she would get back to Mr F if anything better came up and that she was merely deciding whether to change the rate at that time or wait until later. In these circumstances, I would not expect Mr F to have subsequently made a formal written request for the adviser to review the rates, as it was evident from her emails that this was already being done.

I am therefore satisfied that – given that the adviser had told Mr F that she was reviewing the rates and was deciding whether to change the rate now or later – it was reasonable for Mr F to expect the adviser to continue to monitor the rates and act upon any reduction. Whilst I accept that Mr F did not follow this up, given the content of the emails I would not expect him to. This is particularly given that Mr F was a first-time buyer and had instructed the adviser as an expert and in order to secure a better rate than he believed he would be able to get himself.

MAB says that it isn’t a regulatory requirement for an adviser to proactively monitor rate changes. I agree with this. However, for the reasons set out above and due to the specific correspondence sent to Mr F, I think it was reasonable for him to expect this to happen in the circumstances of his case. Essentially, the adviser gave Mr F a legitimate expectation that she would monitor and act on any rate changes and she failed to do so.

MAB says that no record of any revised mortgage illustration was provided to Mr F and no specific lower interest rate was quoted by the adviser. But this is precisely because the adviser failed to do what she had indicated to Mr F that she would do. Had she done so, I am satisfied that Mr F would have accepted this.

Likewise, MAB says that there is no guarantee that the lender would have offered Mr F a revised interest rate or that this would have been in his best interests. Again, I think it is more likely than not that the lender would have offered a like-for-like product based on the revised rates. In my view, it is clear from the email from the adviser to Mr F on 25 September 2024 that she also thought that she would be able to change the rate – it was just a question of when it was changed. Given that the adviser was suggesting that it may be better to wait to change the rate until after the next BOE review – which was on 7 November 2024 – I think it unlikely that she considered that any rate change may delay completion as she did not make the application at that stage and was happy to consider deferring it for a further six weeks.

Overall, I am satisfied that if the adviser had acted on the rate changes, which she told Mr F she was monitoring, then it is more likely that not that Mr F would have

accepted any lower rate the adviser suggested and that this would have been secured with the lender.

I have gone on to consider what the lower rate would have been had the adviser done what she had indicated. The Investigator has taken the rate of 4.34%. I disagree with this. That was the like-for-like rate in December 2024, when the mortgage completed. However, having considered the rate changes between the offer and completion, I think that – if the adviser had been monitoring the rates – she would likely have acted sooner than that.

I have taken the like-for-like rate for a five-year fixed rate for a first-time buyer, with a maximum loan to value of 75% and a product fee of £999. I can see that this went from 4.67% at the time of the application to 4.47% by August, 4.19% by September, 4.14% by October, 4.25% by November and then 4.34% by December (following the BOE base rate reduction).

It is clear from the adviser's email of 25 September 2024 that she had noted that by then the rate had reduced more than once since the application and that she was considering whether it was better to change then or wait until the next BOE review. Clearly, the adviser would not have known what would happen with the rates in future but, on balance, I think if she had decided to wait and then noted that rates had started to increase again by the beginning of November, she would have acted upon this in case they increased again. So I think it is most likely that she would have made an application to change the rates at the point they were at 4.25%.

I am satisfied that the recommendation of £300 made by the Investigator is fair to recognise the distress and inconvenience caused to Mr F in this case. I note that MAB accepts that there has been a loss of expectation, however for the reasons set out above I think that Mr F has also lost out financially due to the adviser's actions. Whilst I appreciate that my award will compensate him for this, I also bear in mind that Mr F was a first-time buyer and had indicated that his priority was to minimise the initial monthly mortgage payments at the outset to maintain his quality of life while he was purchasing his first home. So I think the money he could have saved had the adviser done what she indicated would have had a greater impact on him for that reason.”

As set out above, Mr F has confirmed that he agrees with the provisional decision and MAB has not responded at all. As there have been no further representations, I see no reason to change my provisional view. And I am satisfied that this complaint should be upheld.

Putting things right

For the reasons set out above, I uphold this complaint and require MAB to:

- Pay Mr F the difference in the monthly payments between what Mr F is currently paying on a rate of 4.67% for a five-year period and what he would have paid had the adviser secured the rate of 4.25% for the same five-year period.
- Pay Mr F £300 in respect of the distress and inconvenience (including the £100 previously offered if this has already been paid).

I have not included any award for interest. Some of the monthly repayments have already been paid – and so would ordinarily attract interest. However, some are in the future so Mr F will have this money in advance. Therefore, broadly speaking, I am of the view that this balances out and so have not recommended that interest be added.

My final decision

For the reasons I've explained in my provisional decision and above, my decision is that I uphold this complaint against Mortgage Advice Bureau Limited and require it to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 23 March 2026.

Rachel Ellis
Ombudsman