

The complaint

Mr R complains that National Westminster Bank Plc prevented him exiting his interest rate product in 2022. Mr R says he wanted to pay the early repayment charge (ERC) and take out a new five-year fixed interest rate product. Mr R says he'd now be better off if he'd be able to do so. Mr R asks that NatWest allows him to take out an interest rate product available in March 2022.

What happened

Mr R had a mortgage with NatWest with a five-year fixed interest rate product that was due to expire at the end of April 2023.

Mr R became concerned about interest rate rises. He says he first contacted NatWest about switching products in March 2022. Because this would mean paying an ERC NatWest said he'd have to speak to a mortgage adviser. Mr R says he was told there was a long wait for appointments with mortgage advisers.

Mr R says this was unfair and prevented him exercising his right to break his deal by paying the ERC. He asks that NatWest allows him to take out the five-year 2.09% interest rate product available in March 2022.

Mr R took out a two-year tracker product. He says he has financial difficulties due to the circumstances created by NatWest.

Our investigator said NatWest followed its policy and treated Mr R fairly and in the same way as other customers.

Mr R didn't agree and asked that an ombudsman re-consider his complaint.

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 R says he called NatWest in March 2022 about a product switch and was told there was a wait of three months for an appointment. There's no record of this call. NatWest doesn't have a record of Mr R calling in March, April or May 2022. It does have a record of Mr R calling on 27 June 2022. It booked an appointment for him with a mortgage adviser on 1 August 2022, which was about a month away. NatWest noted that Mr R would like an earlier appointment.

Notes made by NatWest's mortgage adviser say they offered Mr R earlier appointments on three occasions before 1 August 2022, which Mr R declined. The adviser's note say they were unable to contact Mr R on 1 August 2022.

Mr R called NatWest again in early November 2022. At this point he was able to secure a new product without paying an ERC. He chose a two-year tracker product and raised a complaint that he wasn't able to take out a new product and pay the ERC on 27 June 2022.

Mr R applied for a tracker product in 2023 (at a lower rate than available in November 2022). This product took effect in May 2023, after his previous fixed rate product ended.

Mr R says it was unfair for NatWest to require him to meet with a mortgage adviser before breaking his deal, especially as the adviser wouldn't then give advice about whether this was the best option. Mr R says given the wait for appointments NatWest should have reserved a rate available on 27 June 2022. Mr R says he was deprived of his right to exit his mortgage product.

We offer an informal dispute resolution service. I'm required to explain why I've reached my decision. But I don't have to respond to each point raised by the parties. When looking into complaints, we consider whether the bank made an error and, if so, what it needs to do to put matters right. We consider the impact any error had on the customer and whether the customer ought reasonably to have taken steps to limit any financial loss or other impact.

I should also say that where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Banks are entitled to make a commercial decision about their processes and policies. NatWest's policy is that customers that want to exit a product meet with an adviser. It applied its policy correctly here.

When Mr R called in late June 2022, NatWest booked the first available appointment with a mortgage adviser, which was about a month away. Mr R was offered earlier appointments by the mortgage adviser. Mr R declined the earlier appointments and didn't attend the appointment on 1 August 2022.

Mr R didn't tell NatWest he was unable to attend an appointment with a mortgage adviser, or that this would be a problem for him. I don't think it's fair or reasonable to say that Mr R was prevented from exiting his product in 2022. NatWest offered him appointments, which he could have attended if he wanted to go ahead and exit his product while his ERC applied.

While Mr R says he was disadvantaged by the waiting times for appointments, I haven't seen anything to suggest he was treated differently to other customers needing appointments at that time.

During the call in June 2022 NatWest said appointments were booked into August and September 2022. Mr R expressed surprise which seems inconsistent with him having been told there was a three-month wait previously. Mr R didn't say he'd previously called or tried to get an appointment. NatWest doesn't have a record of calls from Mr R in March, April or May 2022. In NatWest's note of the complaint raised in November 2022, Mr R only refers to the call on 27 June 2022 and missing out on rates available in June/July 2022.

Also during the call at the end of June 2022, Mr R asked how far in advance of his product expiry he could choose a new product. NatWest said he could choose a product six months in advance – which would be from 1 November 2022. NatWest said Mr R could secure a rate in November 2022, and he could cancel this and re-apply for another rate at any time before the rate was applied in May 2023. He could do this without paying an ERC.

Based on the available evidence, I think Mr R first contacted NatWest about exiting his product rate on 27 June 2022. Mr R missed the appointment booked for him on 1 August 2022, having declined earlier appointments, and next called NatWest in early November 2022. This suggests Mr R chose to contact NatWest again when he could secure a new product without paying an ERC.

I don't think NatWest made an error or treated Mr R unfairly. NatWest gave Mr R correct information about his options. It told Mr R what he needed to do if he wanted to exit his product early and offered him appointments with a mortgage adviser. It told Mr R he could secure a new product within six months of his product expiry date without paying an ERC.

It follows that I don't think it's fair and reasonable in the circumstances to require NatWest to pay compensation, apply a lower interest rate to Mr R's mortgage or take any other steps.

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 R to accept or reject my decision before 20 October 2023.

Ruth Stevenson
Ombudsman