

## **The complaint**

Mrs T and Mr K complain about the way Accord Mortgages Limited dealt with their request for a term extension and new interest rate product for their buy to let mortgage. They say they missed out on lower interest rate products. Mrs T has dealt with the complaint.

## **What happened**

Mrs T contacted Accord in January 2023. Their interest rate product was due to expire on 30 April 2023. Mrs T asked Accord about taking out a new product and said they wanted to extend the term of the mortgage to make it cheaper. Mrs T complains that Accord:

- didn't give her the option to choose a new rate in January 2023. She says she was told they had to complete the term extension first.
- sent forms that she didn't receive, and didn't contact her to find out why the forms weren't returned. This meant it was months before she was able to secure a new rate.
- was difficult to contact with long call wait times.
- didn't tell her anything of substance about her complaint when it called.

Our investigator said Accord hadn't made an error or treated Mrs T and Mr K unfairly.

Mrs T didn't agree. She said taking out a new interest rate was her priority and Accord didn't give her the option to do this.

## **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.

Mrs T says she was promised new product rates in January or February 2023. I've listened to recordings of some of Mrs T's calls with Accord during January to March 2023.

Mrs T did discuss product rates with Accord in January 2023. This was before she was within the timescale to choose a new product to take effect when her existing product expired. Mrs T also asked about a term extension. Accord said there were some criteria to meet and they'd need to provide evidence of their income.

Mrs T spoke to two advisers on 6 February 2023. The first adviser told Mrs T she had to either do the product switch first or the term extension first. Mrs T said she'd do the term extension first. The second adviser asked Mrs T if she wanted to do the term extension first and Mrs T said she did. The adviser sent forms for Mrs T and Mr K to complete, to start the process.

Accord says the term extension request was referred to the underwriters due to Mr K's age at the end of the proposed term extension. The underwriters asked for more information. The

extension was agreed and Mrs T and Mr K signed and returned the acceptance forms in mid-March 2023. I don't think Accord caused unreasonable delays with the term extension that affected the overall outcome.

I'd note here that when Mrs T discussed product rates with Accord in January 2023 the rate for a two-year fixed rate product was 5.5%. The two-year fixed rate product that Mrs T chose in mid-March 2023 had a lower rate, of 5.32%. So it seems that Mrs T and Mr K didn't miss out on a lower interest rate product due to the term extension being processed first.

Accord called Mrs T on 16 March 2023 and confirmed the term extension was in place and this would be confirmed in writing. It said it would call her back to discuss new products.

Accord did call Mrs T again on 16 March 2023 to discuss new products. Mrs T chose a product and Accord said it would send the offer documents to her. It said the acceptance form must be signed by all parties. It said the product was reserved for 14 days and they needed to return the form within 14 days to secure the product. It said the documents would be sent by first class post but the acceptance could be emailed back.

Mrs T received a letter dated 20 March 2023 saying the term extension had completed and confirming the new monthly payment. She says it was only when their payment increased in June 2023 that she realised the new interest rate product wasn't in place.

While this must have been upsetting, I don't think Accord made an error. Accord provided a copy of the letter it sent with the product transfer offer. It was correctly addressed. While I'm sorry that Mrs T and Mr K didn't receive the letter, I can't see that this was due to an error by Accord. The letter Mrs T did receive said *"The product switch paperwork had been sent and this will show the updated payments on your new chosen rate. If you are happy with the offer you would need to sign the acceptance form and return it to us"*.

I think Accord made Mrs T and Mr K aware that they needed to sign and return an acceptance form for the new product, and that this had been sent to them. If they didn't receive the product switch paperwork they could have contacted Accord.

A broker contacted Accord by email in mid-March 2023 saying he was acting for Mrs T and Mr K. He asked that it "process this request". The paperwork attached was for the term extension.

The product Mrs T chose was reserved for 14 days. Mrs T and Mr K didn't accept the offer within this time, and this wasn't due to an error by Accord. I don't think it's fair and reasonable to require Accord to apply the product to their mortgage account.

Mrs T said Accord was difficult to get hold of by phone with long wait times. Mrs T had a number of phone calls with Accord between January and March 2023 regarding the term extension and the product switch. I appreciate it's difficult for Mrs T to provide evidence of any unsuccessful calls she made or unduly long call wait times. A call handler in the right team wasn't always available when Mrs T called, which meant she had to wait for a call back. I can understand this was frustrating. But based on the available evidence, Mrs T was able to speak to Accord and discuss the changes to the mortgage.

Overall, I don't think that Accord treated Mrs T and Mr K unfairly. It explained that they had to do the term extension or the product switch first, and Mrs T chose to do the term extension first. The reason a new product wasn't secured in March 2023 was that Mrs T and Mr K didn't sign and return the acceptance form. Mrs T and Mr K took out a product in July 2023.

In June 2022 Mrs T raised a complaint. Mrs T is unhappy with how Accord responded. I should say here that complaint handling isn't a regulated activity. That means we can't always look into concerns about how a complaint was dealt with. We can sometimes do so – for instance if the way the complaint was dealt with stopped the underlying problem being sorted out. I don't think that was the case here.

I appreciate that Mrs T and Mr K hoped that Accord would apply a lower interest rate product to their mortgage and decided not to take out a new product until they received a response to their complaint. But it was their own decision to do this.

The broker also raised a complaint, that Accord processed a product transfer request from Mrs T instead of a later one made by the broker for the same product. This meant the broker didn't receive a fee. I can't see that this was an error by Accord, or that Mrs T and Mr K were caused any financial loss or inconvenience. I can't award compensation to a third party.

### **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 K and Mrs T to accept or reject my decision before 2 May 2024.

Ruth Stevenson  
**Ombudsman**