

The complaint

Mr H has complained that a mortgage interest rate product he'd discussed with National Westminster Bank Plc in March 2023 was no longer available when he wanted to renew his mortgage interest rate a few months later.

To settle the complaint, Mr H wants NatWest to offer him the rate he discussed with the bank in March 2023.

What happened

I do not need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr H being identified. So for these reasons, I will instead concentrate on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

The interest rate on Mr H's mortgage was due to expire on 31 July 2023. Mr H contacted NatWest on 14 February 2023 and a telephone appointment was arranged for him to speak with a mortgage adviser (MA) on 4 March 2023.

During the call Mr H wanted to discuss various options, such as letting out his property and converting the mortgage to a buy-to-let, which NatWest wasn't able to agree to. Mr H was told that he'd need to speak to another lender about that, but if he'd fixed his interest rate in the meantime, an early repayment charge would apply.

Then NatWest and Mr H discussed the current available rates, Mr H explaining that he was keeping a close eye on interest rates and thought they might come down in May 2023. Mr H did not at that time fix a new rate on the mortgage, even though he had been told that he could lock one in before his existing rate expired.

On 3 July 2023 Mr H contacted NatWest again because he wanted to put in place a fixed rate of 3.99% that he'd discussed back in March 2023. However, that rate was no longer available.

Mr H complained, saying he'd been offered that rate in March 2023 and been assured it would be available at any time up until his existing rate expired on 31 July 2023. NatWest didn't uphold the complaint, and in its final response the bank set out the details of the call with the MA on 4 March 2023, referred to above.

Unhappy with the bank's response, Mr H raised his complaint with our service. He was provided with a copy of the call recording. An investigator looked at what had happened but didn't think the complaint should be upheld.

Mr H asked for an ombudsman to review the complaint. Mr H says that he asked about the time frame for booking the new rate and was told he could do it just a few days before his

existing rate expired on 31 July 2023. Mr H says that this led him to believe that the rate he'd discussed that date in March 2023 was the one that he could book.

Mr H says *"we then discussed about the rates coming down and the advisor did confirm that our rates actually came down a few times this year which lead me to a hope and wait for a few months before I renew the existing deal being offered..."* (sic)

Mr H said that he's made several complaints in the past that have not been dealt with to his satisfaction, although he had been paid compensation. Mr H also said that he has been kept on hold for a long time on the phone and the bank has then hung up on him, which caused him a lot of stress, and *"build an anger inside me which I am looking to let it out through this complaint, and I am hoping you will help me in this."* (sic)

Mr H also said that he believes NatWest was involved in him losing his job, because NatWest would then know that Mr H wouldn't be able to move to another mortgage lender, and would be bound to renew with NatWest where he wouldn't need to provide any proof of income to renew his mortgage deal. Mr H said *"I believe it is the strategy of this bank and is how they keep a hold of people's large deposits which I would like you to investigate."*

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.

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes and systems, or how they operate generally; that's the role of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else, but in doing so, we have to work within the rules of the Financial Ombudsman Service and the remit those rules give us.

We have no power to sanction, punish or fine businesses – that's the role of the FCA. Nor do we have the authority to determine whether or not a business has breached legislation, broken the law, or is in breach of contract, and we don't award damages – all of those matters fall within the remit of the courts.

With all of this in mind, I must explain to Mr H that I have no power to investigate NatWest's commercial operations or the systems it has in place to operate its business.

I note Mr H's contention that he believes NatWest was instrumental in him losing his job in order to ensure that he wasn't able to remortgage to another lender – and that he thinks this is a deliberate commercial strategy on the part of NatWest. I think this is unlikely, indeed implausible.

I say this because it would not be a viable business model for a mortgage lender to put its mortgage borrowers out of work and therefore without income to service their debts. But in any event, NatWest's commercial operations are a matter for the regulator, not the Financial Ombudsman Service.

I will also not be commenting on previous complaints Mr H has made to NatWest, for which he has acknowledged the bank paid compensation. And whilst I note what Mr H has said

about the difficulty in getting through to the bank on the phone, I'm not persuaded this is the fault of NatWest.

I don't know which network Mr H is on, but all networks have what is called a 'fair usage' policy. For example, o2's policy specifies that calls are disconnected after 60 minutes and Virgin Mobile will disconnect calls at 60 minutes, because customers are charged for calls after 60 minutes and need to re-dial (these are just two examples of many similar policies by UK network providers that I have found online). Given this, I am not persuaded that NatWest deliberately hung up on Mr H, although I do understand why Mr H may have thought so.

Turning now to the main issue in the complaint – the interest rate – I am afraid I have disappointing news for Mr H; I'm not upholding the complaint. These are my reasons.

I've listened to the call between Mr H and the MA in March 2023. I'm satisfied that, although the rates available at that time were discussed, no application was made and the 3.99% rate was not locked in or booked. Mr H said during the call that he thought rates were going to fall, and so did not lock in a rate that day. Indeed, it would have been curious if Mr H had, in fact, done that given that he thought rates were going to fall, as it would have been to his disadvantage to have locked in a higher rate in March 2023.

I heard nothing in the call to persuade me that Mr H was assured that if he came back to the bank in July 2023 the rates he discussed in March would still be available. Indeed, the MA confirmed that rates were subject to fluctuation and could go up or down. Given this, I'm not persuaded NatWest is under any obligation to offer Mr H an interest rate for which he didn't apply and which is no longer available.

I know this isn't the outcome Mr H was hoping for. I've taken note of what he has told us about his unemployment, which I do not doubt has caused Mr B some upset and concern. The Mortgage Charter as well as the Mortgages and Home Finance: Conduct of Business Sourcebook (MCOB) requires the bank to do what it can to help borrowers in financial difficulty.

If Mr H is struggling to pay his mortgage, he should speak to NatWest to see what help it can give him. Mr H might also want to speak to a debt advisory service such as Citizens Advice, StepChange or Shelter. We can provide Mr H with contact details for those agencies, if he would like us to.

My final decision

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any correspondence about the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 January 2024.

Jan O'Leary
Ombudsman