

The complaint

Mr and Mrs H complaint that Nationwide Building Society did not do enough to tell them that they could reserve a new interest rate product five months before their existing product was due to expire. As a result they'd lost out on cheaper mortgage deals.

What happened

In 2019, Mr and Mrs H took out a mortgage with a 36-month fixed interest rate. The rate ended in August 2022.

In March 2022, Mr and Mrs H said they looked to see if they could switch to a new interest rate product with Nationwide. But the information on its website suggested they needed to wait until three months before their existing product expired. They later found out that Nationwide allowed new products to be reserved up to five months before the product expired.

In May 2022, Mr and Mrs H reserved a new interest rate product with Nationwide. But they said they would have switched earlier if Nationwide had given accurate information on its website. They want Nationwide to let them choose a product that was available in April 2022.

The investigator did not think the complaint should be upheld.

Mr and Mrs H did not accept what the investigator said. They made a number of points, including:

- The information about the window available to book a new product was available on Nationwide's intermediary website – but not on its consumer website. This was unfair.
- The information about reserving a product is not available on Nationwide's residential website. Its customers wouldn't know that they could change products in advance.
- Nationwide changed its website following their complaints. This acknowledges that the information should have been there in the first place.
- Residential customers not using a broker are expected to phone Nationwide and ask to reserve a new product without any information this was available.

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'm required to take into account the relevant rules, regulations and what I consider to have been best industry practice in deciding what I consider to have been fair and reasonable in the individual circumstances of this complaint.

At the time in question, there were no rules that required Nationwide to either allow

borrowers to reserve a new interest rate product in advance or to tell borrowers that it did so. As far as I can see Nationwide acted in line with the relevant rules in its communication with Mr and Mrs H.

The correct position at the time was that Nationwide customers could reserve a new product up to five months before the existing product expired. But that option was not available online, only by phone. That was a legitimate decision for Nationwide to take – and I can't see any reason why it was unfair. I consider it was reasonable for Nationwide not to include that information online as such switches were only available to consumers by telephone.

I appreciate Mr and Mrs H's position and recognise the financial impact delaying a product switch has had. But I don't consider Nationwide has made any mistake here. So I can't ask Nationwide to do anything.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 1 November 2023.

Ken Rose
Ombudsman