

The complaint

Mr and Mrs H complain that National Westminster Bank Plc delayed in providing them with an appointment with a mortgage adviser, a second appointment was then required causing a further delay, and the interest rate product couldn't be booked until that second appointment.

They say this meant they ultimately secured a higher interest rate for their further advance than they would have without these delays. They're also unhappy about the time it took to release the funds.

What happened

Mr and Mrs H had an existing mortgage with NatWest, and they wanted to borrow some extra money to consolidate some debts and to buy a car each.

On 21 September 2022 Mr and Mrs H contacted NatWest to ask about further borrowing. A basic decision in principle was given in that call and an appointment was booked for 3 October (which was the first available date) for a mortgage appointment.

On 3 October Mr and Mrs H spoke to the mortgage adviser. They went through the documents Mr and Mrs H had uploaded to NatWest's portal ahead of the call to check the further advance appeared affordable and sustainable. At the start of that call Mr and Mrs H were told it was the first of two calls, with the second call being in about ten days' time. They were told the second call was when the rate would be discussed and secured, and all the paperwork would be completed and that it would be about five to six weeks for them to get the money (if the further advance was approved).

At the end of the call the second appointment was booked for 14 October (again the first available appointment), and there was a brief discussion about how rates were changing.

The second appointment took place on 14 October and the further advance application was made, with the rate secured.

Mr and Mrs H complained to NatWest about the delays in both securing a rate and the application being processed. They said it wasn't made clear that two mortgage appointments would be required.

NatWest didn't uphold the complaint – in summary it said that its process for further advances is that two appointments take place, the first to do the initial checks and the second to discuss rates and to make the application. It apologised if that wasn't made clear to Mr and Mrs H and said it wasn't possible to offer them a rate that was available before 14 October. In relation to the time taken to process the application it said the application was reviewed by the underwriters on 4 November with the offer being issued the same day, and the funds were released on 7 November. It said that was in line with its timescales at the time.

When Mr and Mrs H complained to our service, our Investigator didn't uphold the complaint. Briefly, she said that two appointments were needed and although Mr and Mrs H weren't

specifically told that on 21 September, they also weren't told that it would definitely only be one appointment. She said NatWest released the funds in a reasonable timeframe, and at the time many lenders were experiencing an increased demand for mortgage services.

Mr and Mrs H didn't agree, saying it was unfair as they were existing customers of NatWest and had everything ready to go. They said they were told they would only need one meeting and were also told they couldn't take out a second charge with an alternative company.

As an agreement wasn't reached the matter has been passed to me to decide.

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 trust Mr and Mrs H won't take it as a discourtesy that I've condensed their complaint in the way that I have. Although I've read and considered the whole file I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

It is NatWest's process that all existing customers asking for a further advance have two mortgage appointments. The first to go through the income and expenditure and other initial checks, and the second to give advice about the product and to complete the application. So NatWest didn't treat Mr and Mrs H any differently to how it would have treated any other of its customers that wanted a further advance on their mortgage. Whilst Mr and Mrs H feel the second appointment wasn't necessary, NatWest is entitled to decide how to take further advance applications and I don't think it is an unreasonable decision for it to have made.

Mr and Mrs H have said that they were told they would only need one meeting but having listened to the calls of 21 September and 3 October I don't agree. Whilst they weren't specifically told on 21 September that two meetings would be needed, they also weren't told it would only be one meeting either. It was made clear on 3 October that a second meeting would be needed, that it would be about ten days ahead, and that the processing time was around five to six weeks until the funds would be released and Mr and Mrs H chose to go ahead.

I also have to think about what Mr and Mrs H might have done differently if it had been made clear on 21 September that two meetings would be needed and having considered everything I don't think they would have taken any different action.

In the call on 3 October Mr and Mrs H mentioned they'd taken the mortgage originally through a mortgage broker, and they thought this further advance could have been secured sooner had they done the same again. But as the adviser correctly explained NatWest doesn't take further advance applications (in isolation) from mortgage brokers. There are some exceptions to that, but none of them were applicable here. So if Mr and Mrs H had instead approached a mortgage broker, the mortgage broker would simply have told Mr and Mrs H that they'd need to speak to NatWest directly.

Mr and Mrs H have also said that they were told they could not take out a second charge with an alternative lender. Nationwide has searched its call records from 1 August 2022 until 30 October 2022 for the number Mr and Mrs H said they would have called from but there is no record of that call. That said, even if that was the case it doesn't help matters. That's because there are specialist second charge lenders and the rates that would have been available from them would likely have been significantly higher than the 5.24% fixed rate that

Mr and Mrs H obtained from NatWest. In addition there are normally larger set up fees with second charge loans. Mr and Mrs H couldn't have simply approached a different high street lender for a further advance without moving their whole mortgage to that new lender (and incurring an early repayment charge with NatWest on their existing mortgage account).

Having considered everything I don't find it likely Mr and Mrs H would have been able to obtain a second charge loan at a lower cost (taking into account the interest rate and set up costs) than they eventually got with NatWest for this further advance.

The interest rates offered by lenders vary over time, and it isn't in dispute that mortgage rates were rising around the relevant time. But NatWest's staff wouldn't have known what rates it would be offering in the future, nor was there anything those staff members could have done to book Mr and Mrs H a rate any sooner.

I appreciate Mr and Mrs H think 23 days is a long time to wait from their initial call until the final appointment, but NatWest isn't required to provide appointments within a specified time period. It was a busy time for many mortgage lenders, with rates rapidly changing and customers trying to get rates secured. NatWest would have had many customers in a similar situation to Mr and Mrs H and it is only fair they worked through those in turn.

For these reasons, I don't think NatWest has made an error in the circumstances. This means I don't think it would be fair to hold it responsible for Mr and Mrs H ultimately securing a higher interest rate than they might have achieved if their application for a further advance had been made sooner.

In terms of the processing time, again NatWest was busy with a lot of mortgage applications at the time due to the rate changes. Mr and Mrs H were told it would be about five to six weeks in the call on 3 October and the funds were released five weeks after that call. That isn't an unreasonable timeframe in all the circumstances and so I don't hold NatWest responsible for any issues caused by that timescale.

My final decision

I don't uphold this complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs H to accept or reject my decision before 23 November 2023.

Julia Meadows

Ombudsman