

The complaint

Mr M and Miss N say that HSBC UK Plc failed to alert them to the impending expiry of the interest rate product on their mortgage account. By the time they were aware of the need to arrange a new product, interest rates had increased.

To settle the complaint, Mr M (who has dealt with the complaint throughout) wants HSBC to offer them the rate they could have secured in February or 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 M and Miss N being identified. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by 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.

Mr M and Miss N have a mortgage with HSBC which was on an interest rate product that was due to expire on 30 August 2023. Mr M says that in the last week of May 2023 he received a letter from HSBC inviting him to apply for a new interest rate product. Mr M complained to HSBC, saying that the bank should have alerted him sooner that his rate was due to expire.

HSBC didn't uphold the complaint. The bank explained that it had sent out an email in February 2023, which its digital records showed had been opened. In addition, a letter was sent to Mr M and Miss N on 9 March 2023 inviting them to apply for a new interest rate product.

Unhappy with HSBC's response, Mr M and Miss N brought their complaint to our service. An Investigator looked at what had happened. The Investigator noted that HSBC had no record of a letter sent in May 2023, so he asked Mr N to provide it. However, Mr M wasn't able to produce a copy of the letter he said he received in May 2023. Overall, the Investigator was satisfied that HSBC had contacted Mr M and Miss N by email in February 2023 and by letter in March 2023. He therefore didn't think HSBC needed to do anything further.

Mr M didn't accept the Investigator's findings and asked for an Ombudsman to review the complaint. He reiterated that he'd never received any communication from HSBC about expiry of the mortgage in either February or March 2023, only in May 2023. Mr M thought the Investigator was allowing HSBC to avoid its responsibility to treat the customer fairly.

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 M is insistent that the first time he heard from HSBC about expiry of the mortgage interest rate product was when he received a letter in May 2023. HSBC has no record of this letter, and Mr M hasn't been able to provide us with a copy. However, the bank *has* provided a copy of its letter of 9 March 2023, and I note this is correctly addressed to Mr M and Miss N. HSBC has also confirmed that the reminder email sent in February 2023 shows on its system as having been opened.

I don't know whether the letter dated 9 March 2023 was undelivered, or if it was mislaid by Royal Mail and ultimately ended up being delivered in May 2023. In either event, that's not the fault of HSBC. But I'm not persuaded there was another letter sent in May 2023, given the absence of any record of it on HSBC's system, and the fact that Mr M hasn't been able to provide us with a copy of it either.

Overall, I'm satisfied that HSBC provided reminders to Mr M and Miss N by way of email and letter approximately six months before the expiry of their interest rate product. In addition, the mortgage offer states clearly when the interest rate product is due to expire, so I'm satisfied they would, or should, have been aware of this from the mortgage documentation.

I acknowledge Mr M's disappointment that, by the time he and Miss N applied for a new interest rate product, the rates had increased from what they were in early 2023. However, I'm unable to find that HSBC is at fault. This means that I'm not going to order HSBC to transfer the mortgage onto a rate that might have been available in February or March 2023.

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 discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss N to accept or reject my decision before 30 May 2024.

Jan O'Leary
Ombudsman