

The complaint

Mr and Mrs A complain that The Mortgage Works (UK) Plc (TMW) has treated them unfairly when they attempted to secure a new fixed rate on their buy-to-let (BTL) mortgage.

What happened

Mr A called TMW to discuss how to switch the product rate on the BTL mortgage in April 2022. TMW accepts that it provided incorrect information about the process available to Mr and Mrs A based on the mortgage they had. It directed them to completing an application online when this wasn't available to them – instead a postal application needed to be made.

Mr A called TMW again in May 2022 and explained he was looking to speak with the mortgage product transfer team. The department he spoke with at this point provided a telephone number for account services and asked Mr A to call this team as the area able to help with his questions. No mention was made about any issues with being able to complete the rate switch online.

In September 2022, Mr A called to TMW again. At this point Mr A was told he wouldn't be able to complete an online application because the mortgage was sold by another lender before being taken over by TMW. The adviser explained what Mr A would need to do to switch the mortgage, including directing him to send in a completed application form.

Mr and Mrs A completed the application form and their mortgage rate was switched from 1 November 2022. A complaint was raised as Mr and Mrs A feel they've been disadvantaged by TMW giving them incorrect information during their initial call. As a result they feel the interest rate available to them is higher as they weren't able to switch the mortgage sooner when trying to do this online.

TMW looked into the complaint and apologised for giving incorrect information in April 2022. It didn't agree it needed to offer a back dated rate because Mr and Mrs A didn't contact them again until September 2022 to explain they were having issues with completing the switch. So it wasn't aware of the mistake or the impact it was having until this point.

Our investigator looked at this complaint and didn't think TMW needed to do anything else. As TMW had, he agreed an error had been made but it was the later actions of Mr and Mrs A which led him to believe TMW didn't need to do anything else. He felt because the mortgage was a BTL, it was reasonable to believe that any issues with the mortgage would be raised within a reasonable timeframe. So when Mr and Mrs A couldn't complete the application online, he expected this to be highlighted to TMW sooner. It wasn't until it was highlighted that TMW was able to explain what was needed.

Mr and Mrs A disagreed with our investigator. They said they had called TMW before September 2022 and hadn't been given the correct information. Our investigator said he had listened to the May 2022 phone call and didn't think Mr A had explained there was an issue with the rate switch online. And if Mr A had called TMW earlier in September – as there was call dates which TMW was unable to provide a recording for – he didn't think it changed the outcome. This was in the same month as when it provided the correct information and he

didn't think it impacted what Mr and Mrs A might have got.

Mr and Mrs A maintained that they disagreed with the outcome and asked for a decision.

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've decided not to uphold this complaint, for much the same reasons as our investigator. I appreciate this isn't the answer Mr and Mrs A are hoping for, but I'll explain why I've reached this decision.

There is no dispute that TMW provided incorrect information in April. The issue is whether it would be reasonable to expect TMW to offer a back dated interest rate as a result of this error.

When TMW told Mr and Mrs A they'd need to complete a rate switch application online, it put the onus on them to complete this and if there was an issue, highlight this to TMW. Mr A did call TMW in May 2022 and indicated he wanted to speak to the product transfer team, but after being given the telephone number of the team to call, he didn't call back. And although a brief call, with the line clearly not being great with both parties struggling to hear each other at times, Mr A didn't say he was having a problem that needed looking into.

Mr and Mrs A have a BTL mortgage which is held on a property ran as a business. The interest rate and cost of this mortgage will have a direct impact on the business and its profit, and it is reasonable to expect that anything which is impacting this is raised as an issue in a reasonable time. Ultimately it is up to Mr and Mrs A to decide the urgency of this based on what they feel is needed.

It wasn't until 27 September 2022 that Mr A called to discuss switching the rate on the mortgage and he was provided correct information about the process and the mortgage rate was switched in November 2022. As there was no meaningful contact or attempt made by Mr and Mrs A prior to this to try and switch the mortgage, I don't think it would be fair to ask TMW to do anything else. As I've said the initial advice placed an onus on Mr and Mrs A to make the application and it wasn't until they attempted this that they could have been aware there was an issue. The call in May 2022 didn't highlight a problem and Mr and Mrs A didn't feel the need to do more with their BTL mortgage until September 2022. So while I agree a mistake was made, I cannot say I am persuaded this mistake was the reason why it took Mr and Mrs A as long as they did to apply to switch their BTL rate. It follows that based on this, it wouldn't be fair to ask TMW to offer a retrospective rate.

My final decision

For the reasons I've explained above, I don't uphold Mr and Mrs A's complaint.

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

Thomas Brissenden
Ombudsman