

## **The complaint**

Mr O complains that HSBC UK Bank Plc did not give him the full benefit of a fixed rate.

## **What happened**

In January 2022, Mr O arranged a buy-to-let mortgage with HSBC. The mortgage had a fixed rate of 1.89% until 30 April 2024. The mortgage was down in July 2022.

Mr O complains that he was led to believe that he had a two year fixed rate. Yet because the mortgage started in July 2023, he will only have the fixed rate for around 21 months. Mr O considers it unfair that he had not had the full benefit of the fixed rate for two years as he said he was led to expect.

The investigator did not think the complaint should be upheld,

Mr O did not accept what the investigator said. He made a number of points, including:

- His complaint was about the misleading, confusing and contradictory language used by HSBC.
- He made a significant financial decision based on the mortgage offer which said, in section 5, "*You will have 27 payments of £679.77*". A reasonable interpretation of that was that he would have to make precisely 27 payments of £679.77. If the amount of payments was not certain it should have used "may" instead of "will".
- The regulations say that HSBC must use plain and simple language for retail customers and products. Looking at the document as a whole it appears misleading, confusing and contradictory.
- He suffers from dyslexia and took HSBC's statements in the offer literally.
- HSBC should have sent a follow up document before the mortgage began in view of the delay in setting up the mortgage.
- He is not a buy-to-let investor, he was remortgaging his home. There should be no difference in the duty of care between a retail and buy-to-let customers.

## **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 can't consider any complaint about any delays by HSBC in arranging the mortgage. That is because HSBC sent Mr O a final response to that complaint in July 2022. Under our rules, that complaint must be referred to us within six months of the final response. But Mr O did not do so until August 2023. HSBC has not consented to us considering that complaint. And I'm satisfied that there weren't exceptional circumstances that prevented Mr O referring the complaint in time. So I can't look at the complaint about the delays.

I appreciate Mr O's circumstances. But he took a buy-to-let mortgage, which is unregulated. And HSBC did not give Mr O advice – it was for him to decide which mortgage to take. But I don't think that really makes any difference here. The reason for that is that HSBC was still required to communicate in a way that was clear, fair and not misleading. And the documentation HSBC issued is in the same format and contains the same information as it would for a regulated residential mortgage.

When the illustration was produced in January 2022 it correctly set out that the fixed rate applied until 31 January 2024 and that Mr O would have 27 payments of £679.77. That was the correct position if the mortgage completed at that time. That is consistent with the rules for residential mortgages.

The mortgage did not complete until 14 July 2022. That is why Mr O did not have 27 payments on the fixed rate. But I don't consider the illustration was misleading. It set out clearly that the fixed rate applied until 31 January 2024 – that was correct and that is how the mortgage has operated. I don't consider the wording in section 5 overrode that or that it meant that Mr O would always have 27 payments of £679.77. It reflected the correct information on the date the illustration was produced.

Looking at all of the information presented to Mr O, I don't consider HSBC acted unfairly or unreasonably.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 23 May 2024.

Ken Rose  
**Ombudsman**