

The complaint

Mr and Mrs M complain that HSBC UK Bank Plc (“HSBC”) didn’t remind them that their fixed interest product offer was about to expire and that the terms hadn’t been accepted by both of them.

What happened

In June 2022 Mr and Mrs M went online to get a new fixed interest rate product for their mortgage as their existing fixed interest rate product was coming to an end.

HSBC offered them a new fixed interest rate product on 5 June 2022. The interest rate was 2.49%. However, the offer needed to be accepted by both Mr and Mrs M by 18 June 2022.

The offer wasn’t agreed by both of them in time so Mr and Mrs M missed out on the 2.49% interest rate. They were around one day late to accept the offer. Mr and Mrs M went on to secure a higher interest rate of 2.94% over a five year period.

Mr and Mrs M says HSBC should have done more to remind them that the offer was coming to an end, and that it hadn’t been accepted by both of them. They say that a few months before they’d applied for the new fixed interest rate product they’d applied for a home owner loan. As part of the application for that product Mrs M was sent (she thinks by text message) a code that directed her to page to accept the application. Mrs M had assumed the process would be the same in this application so she’d waited to receive such a code. Eventually she asked Mr M if he’d received anything. At that point he logged on to HSBC online banking and saw that the offer had expired.

Mr and Mrs M are very unhappy that HSBC didn’t honour the interest rate set out in the 5 June offer when they accepted it – around a day after the offer had expired. Mrs M has said she doesn’t think it’s reasonable to expect a customer to know that there are different processes in place for applications of the same nature.

HSBC said it didn’t do anything wrong. Mr and Mrs M remained unhappy so they complained to the Financial Ombudsman Service.

Our investigator looked into the matter. She understood why Mr and Mrs M were frustrated by what had happened. But she didn’t think HSBC had done anything wrong. She thought the offer Mr and Mrs M was sent was clear about the deadlines involved. She could also see that HSBC had sent Mr M a secure message through its online banking system on 5 June 2022 that said that the offer would need to be accepted by both parties by 18 June 2022.

Mr and Mrs M remained unhappy, so this complaint has been passed on to me for a decision. Mrs M has reiterated that she thinks it’s confusing that HSBC has different processes in place to cover different mortgage products. She told me about another HSBC process she and Mr M have come across in relation to another HSBC mortgage transaction. She accepts that HSBC sent Mr M a secure message but said she should have been contacted directly. As she doesn’t bank with HSBC she thinks it should have done that by phone. She says she was busy around the time the offer was made and a message would

have prompted her to do what she needed to do to accept the 5 June offer.

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'll begin by saying that the offer produced by HSBC on 5 June 2022 was clear that it expired on 18 June 2022. It said:

"To accept the offer, follow the instructions that have been provided to you separately."

HSBC has said that it knew that Mrs M wasn't registered for online banking as she wasn't a customer. So it wrote to her on 5 June 2022 to say that she needed to accept the mortgage offer. The letter said she could do that by logging into online banking or using its "Manage My Mortgage Hub". It went on to say how she could access those things. Mrs M said she didn't receive such a letter but I've seen a copy of it and have no reason to think it wasn't sent as HSBC says it was. The letter might have been lost in the post, but it wouldn't be fair and reasonable for me to hold HSBC responsible for that.

HSBC has also provided us with screenshots of the information that was made available to Mr M after he applied online for the new interest rate product. Those screenshots made it clear that both parties would need to accept the offer online.

Mrs M told our investigator that she didn't read the terms and conditions of the 5 June 2022 mortgage offer. I appreciate her honesty and that she was busy around the time the offer was made. But I think HSBC could reasonably expect her and Mr M to look at the documentation and communications it sent in connection with the offer. Mrs M has said HSBC should have contacted her directly instead of sending her husband a message through online banking. She thinks it didn't because it had an incorrect phone number on its file for her. However, HSBC says it wouldn't contact her by phone in connection with this offer. I appreciate Mrs M's point of view about HSBC contacting her husband, but it was a joint mortgage application, so I can't say that it was wrong to message Mr M, or that it should have contacted her another way.

Mrs M has made it clear that she thinks HSBC's different processes for different mortgage transactions are confusing and unhelpful. I don't underestimate her strength of feeling about that and her frustration that she and Mr M missed out on the offer they wanted. But I can't say that HSBC was required to have a single process in place. Nor is it for me to comment on HSBC's systems and processes.

I appreciate that Mr and Mrs M are likely to be very disappointed by this decision, but I don't think it should be upheld for the reasons set out above.

My final decision

For the reasons set out above, my decision is that I don't uphold this complaint.

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

Laura Forster
Ombudsman