

The complaint

Mr S complains about the time The Co-operative Bank Plc trading as Platform took to process his re-mortgage application and about the service they provided.

What happened

Mr S has an interest only buy-to-let mortgage with Platform, which is secured over a property he rents out. He had a two-year fixed interest rate product that was coming to an end in March 2023. He applied to Platform through a broker to switch to a new rate.

Mr S was concerned about Platform's timescales for processing his application as they meant he'd revert to their standard variable rate (SVR) before the switch had taken place. And he found it difficult to speak to Platform about the time the application was taking and the complaint he then raised about it.

Platform upheld some aspects of Mr S's complaint. They acknowledged his application had taken longer than their usual timescales. And they accepted there had been some issues with the customer service they'd provided. To put things right they backdated his product switch, said they'd reimburse the overpayment he'd made being on the SVR for a month or so, and paid him compensation of £100 for the distress and inconvenience he'd experienced.

Mr S didn't accept Platform's response. He felt, broadly, the distress and inconvenience the process and Platform's poor communication had caused meant a higher compensation payment would be fairer.

Our investigator thought Platform had done enough to put things right in all the circumstances. Since Mr S didn't agree, his complaint's 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 appreciate Mr S's strength of feeling about the service Platform provided and note the worry he felt about where he'd find the money to pay the SVR. However, for reasons that are similar to our investigator's, I think Platform have done enough to put things right.

I've noted Mr S's concerns about the timescales Platform work to. And I can see his broker complained to Platform about that too. I don't have the power to require Platform to change their working practices. I can only consider if they treated Mr S fairly and reasonably in the circumstances of his complaint.

I understand Mr S's broker had told him a product switch application would usually take a couple of days. But Platform publish guidance for brokers on their website. The guidance here said it was possible to apply to re-mortgage up to 180 days before the existing product came to an end. And it said, "Please ensure that the application is received by us at least 30

working days prior to the end of the deal to avoid your client going onto SVR”.

Mr S approached his broker in January 2023. So, he'd planned ahead in making the product switch. He's explained the broker didn't apply straight away as he was waiting to see whether interest rates would become more favourable. But Platform had set out their timescales clearly. It was reasonable for them to expect the broker to submit the application at least 30 working days before the existing product ended. So, it isn't fair to blame Platform if Mr S's expectations about the time his application was likely to take were unrealistic. The application was never likely to complete in time for 1 April, if Platform had kept to their usual timeframe, given the broker didn't submit the application until around 8 March.

Mr S understood Platform were dealing with new customer applications more quickly than those for existing customers. Even if they were, it wouldn't necessarily mean they'd treated Mr S unfairly. Firms may treat new customers differently to existing customers for commercial reasons, such as attracting new business. We don't generally think that's unfair. If they'd treated Mr S less favourably than another existing customer in a similar position to him, we might think that was unfair. But I'm not aware they were. Platform explained their mortgage teams were very busy at the time because of the economic climate. They said different teams dealt with new and existing customers. And they said they couldn't expedite one customer over another and there were others who had been waiting longer than Mr S. I don't think Platform acted unreasonably in failing to prioritise him.

Platform acknowledged they were working outside their usual timescales. The product switch didn't happen until around the middle of May, and Mr S had to pay the SVR in the meantime. However, Platform agreed to backdate the product switch rate to 1 April and to refund the overpayment he'd made whilst on the SVR once they'd calculated it. In addition, they allowed Mr S's application to go ahead on the basis of a rate that was lower than the one he applied for initially. So, whilst I understand Mr S may have found it difficult to pay the SVR for a time, he benefited in the end from the way in which Platform agreed to put things right.

Platform acknowledge they'd found it difficult to return calls at the time of Mr S's application due to higher than usual call volumes. But I can see they'd explained their timescales to the broker initially. It was reasonable for Platform to discuss things with the broker and to expect that the broker was passing on information to Mr S given he had appointed a broker to act on his behalf. And Platform's records support their claim that they tried to return some of Mr S's calls, even though he had no record of that. I can understand Mr S would have liked to have had better communication. I appreciate it was stressful having to wait for his calls to be answered and not knowing whether or when his application to switch his mortgage product would go ahead given the significant increase in the CMP moving onto the SVR would bring. But Platform had managed expectations about the timescales initially. And even though things took longer than they'd said they would, I don't think it's reasonable to blame them for all the stress Mr S was experiencing.

Mr S raised a complaint on around 21 March about his unresolved product switch. He's told us he wanted to try and clarify what was happening in relation to the application and to understand what money he'd need to make the payments that would be due under the SVR. Mr S says he rang several times to speak to the complaints team and his complaint hadn't been allocated to anyone to deal with after seven or eight weeks. However, I think Platform acted fairly overall in dealing with Mr S's ongoing concerns. Although they weren't able to provide a substantive response to Mr S's complaint within eight weeks in line with Financial Conduct Authority rules, they let him know, within that period, he could bring his complaint to us. Although Mr S told us he hadn't had confirmation the product switch would be backdated, Platform's records suggest they'd actioned that following their conversation with Mr S a few days earlier. Platform gave their full response to Mr S's complaint around ten days later,

which confirmed things.

Mr S has mentioned he had to borrow money to manage his mortgage payments for part of April and May, but he hasn't told us about any costs of borrowing. Platform backdated the application to 1 April. They refunded the additional interest in early July. And Mr S benefited from a lower interest rate than the one he'd initially applied for. So, whilst I understand it was a stressful time and caused Mr S inconvenience for a few weeks, things were resolved reasonably quickly.

It was entirely reasonable for Mr S to ask us to look into his concerns. However, having done so, and considering everything, I think Platform's apologies and compensation payment of £100 are fair to put right the distress Mr S felt and the inconvenience he was put to.

Bearing everything in mind, whilst I understand Mr S will be disappointed, I don't uphold his complaint.

My final decision

For the reasons I've explained, I don't uphold Mr S's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 March 2024.

Julia Wilkinson
Ombudsman