

The complaint

Mr M complains about the amount of information Lloyds Bank PLC asked him for when trying to arrange a new interest rate product on his mortgage.

What happened

Mr M has a mortgage with Lloyds. He says he spoke with Lloyds in 2021 to discuss a new mortgage rate. He says the rate he was offered was 1.5% at this time. However, Mr M says he was asked for a large number of documents to support the application for the new rate. He said he got the impression it would be difficult to put the new rate in place so didn't proceed.

In 2022, Mr M again got in touch with Lloyds to discuss a new rate. He says the process was much easier this time and he was able to secure a new rate, but this time the rate was 3.5%. Mr M complained to Lloyds saying that the amount of information he was asked for in 2021 was unreasonable. He asked Lloyds to honour the rate available in 2021.

Lloyds didn't uphold Mr M's complaint. It said it can only secure a rate when an application is made, and Mr M didn't make an application. Lloyds wasn't able to find a recording of the call Mr M said he had with it in 2021 so wasn't able to comment on what information he was asked to provide.

Mr M didn't accept this and referred his complaint to our Service. One of our Investigators looked into this complaint but didn't think it should be upheld. She said that Lloyds hadn't been able to provide a copy of any calls from 2021 with Mr M. But it was clear an application hadn't been made so didn't think Lloyds was required to honour the interest rate available in 2021.

Mr M agreed he hadn't made an application but said that this was because of the amount of information Lloyds had requested. And he said if Lloyds was saying there had been no call in 2021, then it was acting fraudulently. Mr M asked for the complaint to be reviewed by an Ombudsman. So, it's been passed to me to consider and make a final 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.

When there is a dispute about what's happened, or evidence is incomplete, I have to make my decision on the balance of probabilities. That is, what's most likely to have happened given the evidence I do have.

Mr M says he spoke with a mortgage advisor in 2021. He's provided the email chain which shows he was in correspondence with a mortgage advisor around this time to arrange a discussion. Based on what I have, I'm willing to accept that Mr M did probably speak with a mortgage advisor around this time. I'll be clear at this stage that Lloyds isn't saying a call didn't take place either. It's simply saying it doesn't have a recording of this call. I've no

reasons to find this suspicious as Mr M does, given the amount of time that has passed since this call took place.

Mr M says that this discussion was around switching his mortgage rate. Again, I'm willing to accept this likely was the case. But what is in dispute here is whether the amount of information Mr M was asked to provide was unreasonable to the point of preventing him with going ahead with a mortgage transfer.

I've thought about this, and I have no reason to doubt Mr M was put off by the information he was asked for. However, I'm not persuaded that the information requested was unreasonable to the point of meaning Mr M couldn't proceed with the application had he not wanted to. I say this as I've been provided with copies of Lloyds product switch policy which shows what information may or may not be requested during a product switch. And Lloyds has confirmed that its policy didn't change between Mr M first speaking with an advisor in 2021, and his application in 2022.

There's nothing on there which I would consider an arduous request, though I accept some of the information which may've been requested may not have immediately been to hand. Furthermore, I can't see why a mortgage advisor would ask for more information than was required, given this would only create them more work as well. And ultimately, it's better for Lloyds to keep a borrower by them committing to a longer-term rate, and likely in the mortgage advisor's interests to arrange a new product switch.

In addition to this, if the amount of information being requested at this time was that unreasonable, or an "invasion of privacy" as Mr M has referred to it, then I'd question why he didn't raise a complaint at the time. Or, why he didn't look to move his mortgage elsewhere if he really wanted to secure a new rate.

I also note that in 2022, Mr M chose to approach Lloyds again with regards to a rate switch rather than look to another lender. If his experience was as bad as he says it was the first time, then I'd question why he didn't simply approach a different lender.

I think it's most likely that Mr M was frustrated at having to provide further information and chose not to proceed in 2021. And he now, understandably, regrets that decision given the large increase in interest rates since.

Ultimately, it was Mr M's decision not to proceed with the application in 2021. Mr M has said the process was much easier with another lender he holds a mortgage with. That may be the case. Lenders are generally entitled to ask for the information that it sees fit in individual circumstances. For the reasons set out above, I'm not persuaded that, on balance, the information asked for in 2021 was likely unreasonable. I accept Mr M didn't want to provide it, or that it may not have been straightforward to obtain all of that information. But that doesn't mean Lloyds wasn't entitled to ask for it.

I understand Mr M feels very strongly about this matter now. And that's understandable given the rate he did end up getting compared to what was likely available in 2021. But, for the reasons set out above, I'm not persuaded that Lloyds has done anything wrong here. So, I'm not going to ask it to give Mr M a lower interest rate on his mortgage.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 January 2023.

Rob Deadman
Ombudsman