

## **The complaint**

Mr and Mrs A complain they were given conflicting information about the interest rate on their mortgage with Bank of Scotland plc trading as Halifax. They say they weren't warned that a concessionary rate on their mortgage was ending, and they were charged more.

## **What happened**

Whilst this complaint is brought by both Mr and Mrs A, as the mortgage is in both their names, our dealings have been with Mr A. So I'll mainly refer to him in this decision.

Mr A was previously employed by Halifax, and as such, was entitled to a concessionary mortgage rate. He complained that he was given conflicting information about the rate he was due to pay on his mortgage, in late 2022. He said he received a letter in early November saying his concessionary rate was due to end, and he would need to pay around £1,400 per month from December. Mr A said that didn't leave him enough time to set up a new mortgage before he went onto Halifax's much higher Standard Variable Rate ("SVR").

Mr A said then, only a couple of days later, he got another letter, telling him his new mortgage payment was a little over £1,000. Mr A wanted the most recent monthly payment information he'd received, to be honoured by Halifax.

Mr A said he hadn't been able to plan for the upcoming payments. And he told us that his mobile banking app still said he was on a concessionary rate.

Mr A said he'd complained about the conflicting information he received, and Halifax at first failed to log his complaint, then it had taken a very long time to get back in touch. When it finally did so, it upheld his complaint about the conflicting advice, but it didn't do anything about this.

Halifax said that the forms Mr A signed when he took out this mortgage show that this concessionary rate is an employee benefit, which will end if his employment ends. There are, however, some arrangements for the rate to continue for a short period after leaving, depending on the reason that the person's employment ended. In Mr A's case, this meant he would be entitled to stay on this rate for an additional 12 months after he left.

Halifax said it sent Mr A a letter dated 25 November 2021, which explained that he could keep the concessionary rate for his mortgage for 12 months. Then he would move to the SVR. It issued a second letter, dated 14 Oct 2022, saying this mortgage can remain on the staff rate, if Mrs A was a member of Halifax's staff. It invited Mrs A to email, using her work address, if she was employed by Halifax. And Halifax said that if it didn't hear from Mrs A, the mortgage would move onto the SVR from December 2022. A third letter, on 7 November 2022, told Mr A that the staff rate would be removed from his mortgage on 1 December, and it told him the monthly payment he would make from then.

When Halifax wrote to Mr A about his complaint, it said that it was sorry it had sent him some wrong information after this. It said this was just because letters crossed over between his

staff rate ending and his mortgage reverting to the SVR. It repeated that if Mrs A was employed by the bank, it could reinstate the rate and backdate it. Otherwise, it invited Mr A to talk to it about the different mortgage products it could offer.

Our investigator didn't think this complaint should be upheld. He said Halifax had made a mistake, because it had sent Mr A a letter telling him about the interest rate payable on his concessionary mortgage, just before it was due to be removed. But he did think Halifax had told Mr A that this rate would end, in letters sent in November 2021 and in October 2022. And Halifax had apologised now, and offered to reinstate the rate if Mr and Mrs A could show they still qualified for it. Our investigator didn't think Halifax had to do more than this.

Mr A didn't agree. He spoke to our investigator, and said he didn't receive either of the letters Halifax sent before November 2022. He said he didn't have an exit interview when he left Halifax, and because none of these letters were received, he wasn't expecting this concessionary rate to be removed. Mr A also said there was an error in the address that Halifax was using for him, he thought this might be why the earlier letters hadn't arrived. Finally, Mr A said if he was only entitled to this concessionary rate for 12 months after he left, why was it still in place well after this?

Mr A said that sending a letter about this in early November 2022 didn't give him enough time to take out a different mortgage. And he said Halifax does have other ways to get in touch with him, which it uses, so he thought Halifax was wrong to rely on only one method of communication for something as important as this.

Our investigator didn't change his mind. This complaint was then passed to me for 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.

I've reached the same overall conclusion on this complaint as our investigator.

I should start out by saying that I'm satisfied Halifax has applied its own policies for concessionary mortgage rates fairly in this case. I can see that Halifax allows former employees in Mr A's position to keep this rate for while after leaving its employment. I understand that Halifax has in fact allowed Mr and Mrs A to remain on this rate for a little longer than the 12 months Halifax promises. But I don't think having previously made this error in Mr and Mrs A's favour means that Halifax can't remove this rate now.

I understand that Mr A has been very frustrated, by what he feels is very late notification of changes to his mortgage. I can appreciate that he may not have recalled the form he signed when taking out this mortgage rate in 2018, which makes clear that this rate is reserved for employees, and will end if employment ends. So, if he also didn't receive the letters dated 25 November 2021 and 14 October 2022 telling him when this rate would end, then the letter dated 7 November 2022 did give him very little time to arrange a new mortgage.

But I don't think that what has gone wrong here is Halifax's fault. I'm satisfied that the address Halifax has used for Mr and Mrs A identifies their home sufficiently that I would expect post to be received. So if it wasn't, then I don't think that Halifax is to blame for that. I know Mr A would have liked Halifax to also communicate with him through other means, like email or secure message, which he says it already uses to contact him about other issues.

But I think, having written to Mr A twice about this issue, that Halifax had done enough to remind Mr A of the terms he'd previously agreed to, for the concessionary rate.

If Mr A didn't get the two earlier letters warning him about the change to his mortgage interest rate, then I don't think Halifax has to maintain the concessionary rate for him, because of this.

Mr A said that it was difficult to lodge a complaint with Halifax, and then it took a long time to respond. But as our investigator explained, I can't consider a standalone complaint about complaint handling. And I think it was clear from the point when Mr A tried to raise his complaint, that his previous concessionary rate was coming to an end. So I don't think the delay in Halifax providing formal confirmation of that has caused further detriment in this case.

I know Mr A will be very disappointed, but I don't think this complaint should be upheld.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mr A to accept or reject my decision before 25 August 2023.

Esther Absalom-Gough  
**Ombudsman**