

## The complaint

Mr P and Mrs P complain they didn't get the mortgage they wanted when they remortgaged online with Accord Mortgages Limited. They wanted a fixed rate, but ended up with a variable rate. They said if Accord had sent them documents, they could have cancelled.

## What happened

Mr P and Mrs P have a joint mortgage with Accord, which they said was first taken out in June 2021. They had a two year fixed rate, but at the end of September 2022, they were concerned about future interest rate rises, and they decided to remortgage before the end of their existing fixed rate deal.

Mrs P said they chose a deal which would keep their repayments about the same, and paid a substantial Early Repayment Charge ("ERC") to end their previous agreement. Mrs P said they'd understood they had chosen a deal with a fixed interest rate. But later, in January 2023, they received notification from Accord that their monthly mortgage payments were increasing, as their mortgage was linked to a standard variable rate. Mrs P said she complained, and was told that she'd selected a product with a variable rate.

Mrs P said the product she'd chosen had a misleading name, so it looked like a fixed interest rate mortgage. And she said that, as an online product, she didn't get all the information a consumer needs to make the right choice. She said all she could see online, when she took out the new mortgage deal, was just a very limited summary of the product. Mrs P said she'd spoken to Accord after this to pay the ERC, and said she'd fixed her interest rate, but the person she spoke to didn't mention that she'd taken a variable rate product.

Mrs P said that after she'd taken out the new mortgage deal, Accord only sent her a letter confirming it had transferred their mortgage to the new product. Mrs P thought that, as with any other product purchased online, Accord should have given her the option to change her mind and cancel in the first 14 days. But it hadn't done so. So Mrs P said she'd only been sent notification of the new monthly payment amount, when she should have had a new mortgage illustration, plus additional information about the product, and explicit advice about the variable interest rate. Mrs P said if she had received all the appropriate documentation, she would have cancelled immediately.

Mrs P said she and Mr P were now struggling with the higher mortgage repayment, and they were worried rates could further increase in the future. She wanted to cancel this deal, receive a refund on the ERC she had paid, and revert to her old fixed rate mortgage. Then she could select a new fixed rate deal when that one expired, in June 2023.

Accord didn't think it had done anything wrong. It said it hadn't provided any advice for Mrs P when she chose a new mortgage. She did that herself, online, on 24 September 2022.

Accord said it thought that the different mortgage products it offered were explained, both in summary on the page listing those products, and then in more detail in the "*Key Points Explained*" document. Accord sent Mrs P copies of the "*Key Points Explained*" "*Your*

*Mortgage Illustration*” and *“Your Product Transfer Offer”* documents, with these sections highlighted.

When this case came to our service, Accord said that Mr P and Mrs P had the variable rate mortgage they’d chosen.

Our investigator didn’t think this complaint should be upheld. He said he understood this had been frustrating for Mr P and Mrs P, but he didn’t think Accord had given Mr P or Mrs P mortgage advice. He thought Mrs P had chosen this mortgage online. He said that Accord wasn’t responsible for this choice.

Our investigator said he thought the documents Accord had shown us did confirm the type of mortgage Mrs P had chosen. And he said Accord had told us this information was shown to Mrs P online. He said Mrs P had accepted that, and then paid the ERC on her old mortgage, which was charged in line with the previous mortgage offer.

Our investigator didn’t think what had gone wrong here was Accord’s fault. So he didn’t think it had to make changes to Mr P and Mrs P’s mortgage now.

Our investigator sent Mr P and Mrs P two documents, a mortgage offer dated 24 September 2022 and a letter titled *“Key Points Explained”*. These documents both set out, on the first page, that the interest rate on this mortgage would be variable.

Mrs P replied to say that those documents were clear, but she hadn’t got them. They weren’t sent to her. She said if she had received these, she would have invoked her right to cancel this agreement within the first 14 days. But all she got was a letter, which she showed us, that did confirm she’d transferred her mortgage, but didn’t set out the details of the new product. Mrs P also said the product transfer offer that Accord sent us said it was only valid until 24 September, but Accord had accepted payment of the ERC from her on 26 September, so that didn’t look right.

Mrs P wanted an ombudsman to consider her complaint, so this case came 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 understand that Mrs P doesn’t allege that Accord offered advice on this mortgage, and she accepts it was taken out online.

When Mrs P said she hadn’t previously seen the documents that Accord sent her in response to her complaint, our investigator asked Accord for some further information. And in response, Accord sent us a screenshot of the screen Mrs P had to click, to accept this new mortgage.

That begins with the following –

*“Agreement*

*By clicking “I agree” you are confirming you accept the following:*

*You have opened and read all the information provided in Your documents and accept the terms of your Mortgage Offer.  
Once your new deal is confirmed, you lose the right to cancel switching your deal."*

Accord told us this product transfer offer was accepted online on 24 September 2022. And it said if the offer document hadn't been opened, Mrs P wouldn't have been able to accept. Its system checks the document has been opened, before it will process any offer acceptance.

Mrs P told us if she'd seen the documents which Accord has now shared with us, she would have cancelled immediately. But Accord has now told us it did make these documents available to Mrs P before this offer was accepted, and took some steps to try to ensure she read those documents.

I do think those documents are clear, and provide a reasonably prominent warning that the mortgage Mrs P was taking out had a variable interest rate. And I do think that these documents were made available to Mrs P before she took out this mortgage.

I think the date on the mortgage illustration which Mrs P commented on, simply reflects that this was made available to her online on 24 September, and that Accord wouldn't necessarily have held this offer open to her past that date.

Mr P and Mrs P were charged an ERC for ending the previous mortgage deal early. I think that's in line with the previous mortgage offer, which Accord has sent us. I understand that Mrs P referred to her new mortgage as a fixed rate, when she rang to pay the ERC on her old mortgage. But I don't think that means the agent (who was just collecting payment on this call) had to check Mrs P's new mortgage, and warn her about her mistake.

Mrs P has referred to her 14 day right to cancel this mortgage. Mortgages aren't required to have the same 14 day cooling off period, under law, that some other financial products benefit from. And here, I'm also satisfied that Accord warned Mrs P about this, because it did tell her she would have no right to cancel after she'd accepted the deal.

I understand that Mr and Mrs P haven't ended up with the mortgage they wanted, and I appreciate just how very upsetting this is for them, especially given that they paid a large ERC to exit their old mortgage deal. I've been very sorry to hear about how this has affected them. I'm also sorry to have to tell them now that I just don't think what has gone wrong here is Accord's fault. And that means this complaint won't be upheld.

**My final decision**

I don't uphold this complaint.

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

Esther Absalom-Gough  
**Ombudsman**