An tOmbudsman Seirbhísí Airgeadais agus Pinsean
Financial Services and Pensions Ombudsman

Decision Ref:	2021-0131
Sector:	Banking
Product / Service:	Tracker Mortgage
Conduct(s) complained of:	Failure to offer a tracker rate throughout the life of the mortgage Failure to offer a tracker rate at point of sale
Outcome:	Rejected

LEGALLY BINDING DECISION
OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

The Complainants held two mortgage loan accounts with the Provider, as follows:

- **Mortgage loan account ending *1402***
  The loan amount for mortgage loan account ending ***1402*** was €150,000 and the term of the loan was 25 years. This mortgage account was secured on the Complainants' private dwelling house. The Letter of Approval outlined the loan type as a "*Variable Rate Home Loan*". The mortgage loan account ending ***1402*** was drawn down on **29 September 2004** on a variable rate of 2.69%. This mortgage loan was redeemed in full on **17 July 2008.** Mortgage loan account ending ***1402*** is not the subject of this complaint.

- **Mortgage loan account ending *2888***
  The loan amount for mortgage loan account ending ***2888*** was €2000,000 and the term of the loan was 25 years. This mortgage account is secured on the Complainants' private dwelling house. The Letter of Approval outlined the loan type as an "*Equity Release Variable Rate Secured Personal Loan*". The Complainants drew down mortgage loan account ending ***2888*** on **14 July 2008** at a variable rate of 5.69%. Mortgage loan account ending ***1402*** was redeemed from the proceeds of mortgage loan account ending ***2888***. Mortgage loan account ending ***2888*** is the subject of this particular complaint.

The Complainants' Case

The Complainants state that their original mortgage loan account ending ***1402*** with the Provider was drawn down in **September 2004** on a variable interest rate in the amount of €150,000 repayable over a term of 25 years. The Complainants submit that mortgage loan account ending ***1402*** was on tracker interest rate in **2008**.

The Complainants state that they sought a mortgage *"top-up"* of €60,000 from the Provider in **2008** in respect of their private dwelling house. They submit that the Provider informed them that the *"only way we could get more money is to remortgage the house for 200k over 25 years on a variable rate."*

The Complainants submit that their new mortgage loan account ending ***2888*** was issued for the loan amount of €200,000 in **July 2008** and they redeemed their existing mortgage loan account ending ***1402*** that same month. The Complainants note that mortgage loan account ending ***2888*** has been operating on a variable rate since the loan was drawn down in **July 2008**.

The Complainants submit that they made a complaint to the Provider in **October 2017**, to which the Provider responded stating that their mortgage was *"not affected in the tracker redress."*

The Complainants state that they *"want to see if our mortgage is affected by tracker redress."*

The Provider's Case

The Provider submits that the Complainants have had two mortgage loans with the Provider, as follows;

Mortgage loan account ending *1402*

The Provider submits that it issued the Complainants a **Letter of Approval** for a "*Variable Rate Home Loan*" on **19 August 2004** in respect of mortgage loan account ending ***1402***. It details that the loan was for €150,000 repayable over a term of 25 years term and was secured on the Complainants' primary residence. The Provider states that the mortgage was drawn down on **20 September 2004** on a variable rate of 2.69%

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The Provider submits that in line with **Special Condition A** of the **Letter of Approval**, the interest rate was switched to a standard variable rate of 3.55% after the first 12 months on **29 September 2005**, and the rate of interest continued to vary thereafter. The Provider further submits that the Complainants' interest rate was switched to a tracker rate of 4.50% (ECB + 1.25%) on **11 December 2006** at the request of the Complainants. The Provider explains that this switch occurred during a period between **2006** and **2008** when the Provider *"consented to requests from certain mortgage loan customers to switch their interest rate to a tracker rate, although they had no contractual entitlement to a tracker interest rate."*

The Provider states that mortgage loan account ending ***1402*** remained on a tracker rate of interest until it was redeemed in full on **17 July 2008** in the amount of €137,189.11 from the proceeds of account ending ***2888***. The Provider notes that the tracker rate at the date of redemption was 5.50%.

Mortgage loan account ending *2888*

The Provider states that in **2002** it introduced an *"equity release mortgage loan type which was designed to enable customers to borrow additional funds or a new loan using as collateral the available equity in their home which had been mortgaged to the Bank previously in an earlier legal mortgage."* The Provider further states that equity release loans were available to existing home loan customers provided the funds were to be applied for non-commercial purposes.

The Provider submits that *"the interest rates on the Bank's equity release secured personal loans were based on mortgage rates and were thus typically lower than the Bank's other personal loan rates"* and that the introduction of equity release personal loans predated the Provider's introduction of tracker rate mortgage loans in **January 2004**. The Provider further submits that when it decided to introduce tracker lending in **2004**, it made the decision not to apply tracker rates to its equity release loans. Therefore, the Provider states that it did not offer a tracker interest rate to the Complainants when they applied for mortgage loan account ending ***2888***. The Provider explains that it *"sets interest rates at its absolute discretion and such decisions are commercial in nature."*

The Provider states that the Complainants submitted an application for an equity release personal loan of €200,000 on **08 October 2007** by signing an application form in the Provider's branch. The Provider submits that *"while full details of the meeting with the Complainants cannot be confirmed given the lapse of time, it was normal practice to explain the application process"* and that *"at this meeting the different mortgage products and interest rate options would also be discussed with the applicant."*

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The Provider sets out that a letter was issued to the Complainants on **24 June 2008** which outlined a loan proposal based on the information provided by the Complainants to the Provider in their loan application, and following this, a Letter of Approval for an Equity Release Variable Rate Secured Personal Loan was issued to the Complainants on **30 June 2008**. The Provider notes that the loan offer was for an amount of €200,000 at a variable rate of 5.69% repayable over a 25-year term. The Complainants signed their acceptance of the loan offer on **01 July 2008**.

The Provider contends that during any loan application process "*all currently available interest rate options are discussed with the applicant(s). This allows the applicant(s) the opportunity to examine options and ultimately choose a product suitable to their needs."*

The Provider states that the interest rates offered on equity release loans *"were/are based on mortgage lending rates which are typically lower than the Bank's other range of personal loan rates."*

The Provider submits that the equity release loan was for the consolidated amount of the Complainants' entire proposed borrowings, that is "*the amount which remained due in respect of account ending 1402 and the additional amount which they required to borrow in 2008***"***.* The Provider further submits that the repayment period of the new consolidated loan was 25 years from the drawdown date in **2008**. The Provider explains that this extended the repayment period in respect of the balance due on mortgage loan account ending ***1402***, making it more affordable for the Complainants to borrow the additional amount which they required. The Provider further explains that the equity release loan was suitable for the Complainants because, in **2004**, they had provided a legal mortgage to the Provider which was already in place and could be used to secure their proposed total borrowings in **2008**.

The Provider states that tracker interest rates were on offer to new and existing customers when the Complainants submitted their mortgage application in **2007** and when a loan offer was made to them in **2008**. However, the Provider notes that tracker rates were never offered in respect of equity release lending.

The Provider contends that *"it was standard practice in **2007** and **2008** in the Bank to discuss all available rate options with customers when they were applying for a loan."* The Provider further notes that when the Complainants had discussions with the Provider which resulted in their applying for mortgage loan account ending ***2888*** *"one of the differences between their existing account and the new loan account was the differing rate types."* The Provider also states that *"at the time, there was little actual difference between the rate level of the Bank's standard variable rate and the tracker rates."*

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The Provider states that the Complainants' mortgage loan account ending ***2888*** is currently still active with the Provider and has a maturity date of **14 July 2033**.

The Provider explains that the Complainants' mortgage loan account ending ***2888*** was included in the Provider's review as part of the Tracker Mortgage Examination and was deemed not to be impacted.

The Complaint for Adjudication

The complaint for adjudication is that the Provider incorrectly failed to offer the Complainants a tracker interest rate when they applied for a "*top-up*" loan in **2008**.

Decision

During the investigation of this complaint by this Office, the Provider was requested to supply its written response to the complaint and to supply all relevant documents and information. The Provider responded in writing to the complaint and supplied a number of items in evidence. The Complainants were given the opportunity to see the Provider's response and the evidence supplied by the Provider. A full exchange of documentation and evidence took place between the parties.

In arriving at my Legally Binding Decision, I have carefully considered the evidence and submissions put forward by the parties to the complaint.

Having reviewed and considered the submissions made by the parties to this complaint, I am satisfied that the submissions and evidence furnished did not disclose a conflict of fact such as would require the holding of an Oral Hearing to resolve any such conflict. I am also satisfied that the submissions and evidence furnished were sufficient to enable a Legally Binding Decision to be made in this complaint without the necessity for holding an Oral Hearing.

A Preliminary Decision was issued to the parties on 13 April 2021, outlining my preliminary determination in relation to the complaint. The parties were advised on that date, that certain limited submissions could then be made within a period of 15 working days, and in the absence of such submissions from either or both of the parties, within that period, a Legally Binding Decision would be issued to the parties, on the same terms as the Preliminary Decision, in order to conclude the matter.

In the absence of additional submissions from the parties, within the period permitted, I set out below my final determination.

The issue to be determined is whether the Provider incorrectly failed to offer the Complainants a tracker interest rate on their equity release mortgage loan in **June 2008**.

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In order to determine this, it is necessary to review and set out the relevant documentation relating to the Complainants' mortgage loan account ending ***2888***. It is also necessary to consider the details of certain interactions between the Complainants and the Provider in **2007** and **2008**.

Firstly, it is helpful to consider the Complainants' original mortgage loan account ending ***1402*** by way of background to this complaint. Mortgage loan documentation in relation to mortgage loan account ending ***1402*** has been submitted in evidence by the Provider however I note that this mortgage loan account is not the subject of this complaint. A **Letter of Approval** issued to the Complainants on **19 August 2004** for a loan in the amount of €150,000 repayable over a term of 25 years The Complainants signed their acceptance of the loan offer on **21 September 2004** and mortgage loan account ending ***1402*** was drawn down on **29 September 2004** on a variable interest rate of 2.69%.

Special Condition A as set out in the **Letter of Approval** dated **19 August 2004** details as follows;

> *"The interest rate applicable to this loan will, for a period of 12 months from the date of the issue of the loan, be the new business variable rate. This rate currently equates to the interest rate shown above. The new business variable rate, being a variable rate, may change from time to time and without regard to the standard variable rate or any variations thereof, during the 12 month period from the date of cheque issue in accordance with the mortgage conditions. On expiry of the 12 month period, the new business variable rate will cease and the interest rate applicable to this loan shall revert to the prevailing standard variable rate applicable to loans of this type."*

It does not appear to be in dispute between the parties that the interest rate switched to a standard variable rate on **29 September 2005** in accordance with **Special Condition A** above. It is also not in dispute between the parties that the interest rate was switched to a tracker rate of 4.50% (ECB +1.25%) on **11 December 2006** at the request of the Complainants and a tracker rate of interest was applied to mortgage loan account ending ***1402*** up until the mortgage loan was fully redeemed on **17 July 2008**.

I note that in or around **October 2007**, the Complainants sought a further advance of funds from the Provider to be secured against the mortgaged property the subject of their then existing mortgage loan account ending ***1402***.

The Complainants signed and submitted an **Application for Credit** together with supporting documentation to the Provider on **08 October 2007**.

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The **Application for Credit** details as follows;

> ***"2. Details of Mortgage***
>
> ***Type of Loan:***
>
> ***…***

Amount of Loan required	*€200,000.00*
Purchase price/ value of property	*€300,000.00*
Loan type	*Equity Release Variable Rate Secured Personal Loan*
Repayment Term required	*25 year(s)"*

I have not been furnished with any documentary evidence of any discussions which may have taken place between the Provider and the Complainants during the application stage in relation to interest rate options. Notwithstanding this, it is important for the Complainants to be aware that the Provider was under no obligation to offer them any mortgage or any particular type of mortgage in **2007**. It was a matter for the Provider to decide firstly, if it was willing to offer the Complainants any additional borrowings at the time and secondly, how that offer would be structured.

The Provider states that at the time of the Complainants' initial application on **08 October 2007** the interest rate options available in respect of equity release loans were variable rates and fixed rates for 1, 2, 3, 4, 5, 7 and 10 year terms.

The Provider has furnished in evidence a copy of its **Equity Release Brochure** relating to the Equity Release Product which is time-stamped **21 April 2008**. The booklet details as follows;

> *"…*
>
> ***How much do I qualify for?***
>
> *[Product] allows you to release equity from €40,000 up to 92% of the current market value of your property if you have a residential home loan or up to 80% if you have residential investment loan. This depends on our standard lending conditions, which are available from our mortgage advisors.*
>
> *…*

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How do I get access to my funds?

This will depend on the type of loan rate you choose – a standard variable rate or a fixed rate.

If you choose a standard variable rate, we can give you a cheque for the full amount of your loan. However, if you'd prefer to use some of your funds now, and keep the rest for a later date, we will give you one cheque when your loan issues (become available) and transfer the rest of the money to a [the Provider] holding account. This account will be in your name.

You can access these funds at any time in the future, without applying again, by:

1. *using your [Product] mortgage chequebook to pay for your purchases (the minimum cheque withdrawal is €3,000); or*

2. *simply calling into any branch of [the Provider], producing your passport or driver's licence, and filling in the appropriate documents.*

If you choose a fixed rate, we will give you a cheque for the full amount of the loan.

How do I repay what I borrow?
Standard variable-rate [Product]

Once you have chosen the type of loan rate you want you can decide on a term that suits you, between five and 40 years if you have a residential home loan or between five and 25 years if you have a residential investment loan. The term you choose doesn't have to be the same as the term of your mortgage.

Having a standard variable-rate [Product] means that your interest rate can go down or up.

With a standard variable-rate [Product], the good news is that your repayments are based only on the amount you have withdrawn. When you begin to access the funds from your [Product] account we will send you a monthly [Product] statement. This will show the value of funds you have already withdrawn and, where this applies, the amount left in your holding account. It will also list all of the transactions on the holding account, so you will always be kept up to date. If you do not access your [Product] funds immediately, we will send you a [Product] statement every three months to tell you what funds are available to you. When you have withdrawn all your funds, we will send you a statement every year.

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Fixed-rate [Product]

With a fixed-rate [Product], you can have peace of mind in knowing that your [Product] repayment will stay the same for a fixed period of time. We offer a choice of fixed-term rates from two to five or 10 years.

When the time comes for you to draw down your fixed rate [Product], we will issue you with a cheque for the full amount of your loan. You will start your repayments one month after the date on your cheque."

It is not clear whether the Complainants were furnished with a copy of this brochure at the time of the loan application in **2007**. Nonetheless it is clear from the brochure that the interest rates available for the Provider's Equity Release product were fixed interest rates or the standard variable interest rate.

The Provider issued a letter to the Complainants dated **24 June 2008** on foot of a review of the Complainants' mortgage loan application. The letter outlines the Provider's proposal based on the information supplied by the Complainants and details as follows;

"The following outlines our proposal based on the information that you have given us regarding your personal circumstances, financial needs and plans. The loan preferences and options you have chosen are also listed, as at June 24th, 2008.

Proposal

We propose the following:

- *Standard variable- rate determined by market changes.*

Mortgage details agreed

You have selected a loan type from a range which we are prepared to offer you based on your needs and circumstances. You have chosen a repayment term and flexible options (where relevant) to achieve a repayment amount best suited to your needs and preferences. Details are as follows:

• *Amount of loan required*	*€200,000.00*
• *Property price/value*	*€0.00/€360,000.00*
• *Loan Purpose*	*Equity Release*

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- *Loan Type* — *Equity Release Variable Rate Secured Personal Loan*
- *Repayment term required* — *25 years*
- *Flexible repayment option* — *none*

[…]

Please review the information in this letter and ensure the mortgage features and details best suit your requirements and wishes, given the advice from [Provider's] staff and the information you provided. You should take the necessary time to consider and query any information provided to you in relation to your loan application."

The Provider has submitted a copy of the **Lending Interest Rates** available on equity release loans applicable from the start of business on **26 June 2008**, which details as follows;

Rates applicable from start of business on 26 June 2008

Equity Release / Secured Personal Loans	Rate	APR
[redacted]Variable Rate	5.69%	5.80%
Fixed [redacted] options		
2 Year Fixed Rate	6.35%	5.80%
5 Year Fixed Rate	5.99%	5.90%
10 Year Fixed Rate	6.10%	6.20%
Secured Personal Loan Variable Rate	7.19%	7.40%

The Provider subsequently issued a **Letter of Approval** to the Complainants on **30 June 2008** for an *"Equity Release Variable Rate Secured Personal Loan"*, which details as follows;

Loan Type:	***Equity Release Variable Rate Secured Personal Loan***

"Purchase Price/Estimated Value:	*€360,000.00*
Loan Amount	*€200,000.00*
Interest Rate:	*5.69%*
Term:	*25 year(s)"*

I note that the variable rate of 5.69% that was offered to the Complainants in the **Letter of Approval** is in line with the **Lending Interest Rates available in respect of** equity release loans at that time.

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The **Special Conditions** attached to the **Letter of Approval** detail as follows;

> *"1. [Provider] normal Terms and Conditions apply.*
>
> *.....*
>
> *3. Please note the equity release loan conditions contained in the general mortgage loan approval conditions.*
>
> *....*
>
> *7. That the total borrowings with [Provider] (a/c no ending 1402) be discharged from the proceeds of [Provider's] advance.*
>
> *...*
>
> *9. The additional loan will be secured by way of an extension of the Bank's legal mortgage over the security referred to in the letter of offer and no separate mortgage deed is required to be executed in respect of this additional loan."*

General Condition 11 of the **General Mortgage Loan Approval Conditions** outlines the **Conditions relating to "[Product]" Equity Release Loans** and details the following regarding the calculation of interest;

> *"...*
>
> *11.4 For the purposes of the calculation of interest, the daily balance of the [Product] Equity Release Loan shall be reduced by the then credit balance (if any) in the Holding Account. The credit balance in the Holding Account shall be reduced by the amount of withdrawals on the date of the withdrawal irrespective of when the withdrawal cheque is cashed. No interest will be payable to the Applicant on the balance held in the Holding Account."*

However, there was no specific condition in the **Conditions relating to "[Product]" Equity Release Loans** in relation to the interest rate applicable to the loan.

I note that the information document in relation to the **Housing Loans under Consumer Credit Act 1995** on the reverse side of each page of the **Letter of Approval** outlines as follows;

> ***"IF THE LOAN IS A VARIABLE RATE LOAN THE FOLLOWING APPLIES:***
> ***"THE PAYMENT RATES ON THIS HOUSING LOAN MAY BE ADJUSTED BY THE LENDER FROM TIME TO TIME.""***

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The **Acceptance of offer of an additional loan** attaching to the **Letter of Approval** was signed by the Complainants on **01 July 2008** on the following terms;

> *"1. I accept the above offer of an additional loan under the terms and conditions set out in:*
>
> *(i) The Letter of Approval;*
>
> *(ii) The General Mortgage Loan Approval Conditions sent to me with the above Letter of Approval; and*
>
> *(iii) The mortgage conditions applying to the existing loan, as amended by the General Mortgage Loan Approval Conditions.*
>
> *2. I agree that the existing mortgage over the property will extend so this loan is also secured on the property.*
>
> *…*
>
> *5. I confirm that I have received/have had the opportunity to retain independent legal advice before accepting this offer of additional loan.*
>
> *…*
>
> *6. If the loan is an equity release loan in joint names, and all or part of the loan will be transferred to a holding account, withdrawals from the holding account can be made by any one of us, in line with condition 11.10 of the General Mortgage Loan Approval Conditions."*

It is clear to me from the Letter of Approval dated **30 June 2008** that the loan envisioned was an equity release mortgage loan on a variable interest rate which could be adjusted by the Provider. If the Complainants did not want to pursue this option because they were unhappy with the rate applicable to the equity release mortgage, they could have decided not to accept the Provider's offer of the equity release product. Instead, the Complainants accepted the Provider's offer by signing the **Acceptance of Offer of an additional loan** on **01 July 2008.** An equity release mortgage loan was subsequently drawn down by the Complainants on **14 July 2008** under mortgage loan account ending ***2888***. The Complainants then fully redeemed mortgage loan account ending ***1402*** on **17 July 2008.**

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I note that the First Complainant placed a telephone call with the Provider on **24 October 2017** and spoke to an agent of the Provider. A recording of this call was made available to this office by the Provider and I have considered the content of the call. I note that the First Complainant stated in the call that when the Complainants applied for a mortgage top-up loan in **2008** to top-up their borrowings to €200,000, they had to close their then existing mortgage loan account and open a new mortgage loan account. During the call, the Provider's agent asked the First Complainant whether she was informed by the Provider at the time that the "*interest rate would not carry over*" from the original mortgage loan to the new mortgage loan. The First Complainant notes that she was informed that "*you won't get a tracker it will be a variable*". The Provider's agent noted during the call that the Complainants took out an equity release mortgage in **July 2008** and at the time a tracker rate was only available to "*existing home loan*" mortgage holders who "*were switching*" as opposed to taking out a new mortgage loan. The First Complainant states during the call that her original mortgage loan was on a tracker interest rate and the Complainants were only seeking a top-up loan in relation to the same property the subject of their then existing mortgage loan. The First Complainant sought clarification as to whether their previous mortgage loan account could have remained open and a second account opened specifically for the top-up loan. I note that the Provider's agent stated that she would log the mortgage account for a full review by the Provider's complaints department and would be in touch.

The Provider issued a **Final Response Letter** to the Complainants dated **01 February 2018** in response to the issues raised by the First Complainant during the telephone call in **October 2017**. The Provider's Final Response Letter dated **01 February 2018** details as follows;

> *"During your call with the [Provider's] agent you stated that when you completed your mortgage application in 2008 you were not offered the option of a tracker rate. You are also seeking clarification as to whether your previous mortgage could have remained open and a second account opened specifically for the 'top-up' you requested.*
>
> ….
>
> *Records confirm that you submitted an application for a mortgage facility of €200,000.00 (re-finance) in March 2008. During the mortgage application process all options are discussed with the applicant(s) however, the decision as to which product type(s) is/are chosen is for the customer(s) alone to make based on personal circumstances.*

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Following your meeting with the mortgage consultant, a letter was issued to you on 24 June 2008 (copy enclosed) confirming the mortgage details and your mortgage product preference (Equity Release Variable Rate Secured Personal Loan).

…..

I can confirm that your mortgage account was included in the review of mortgage accounts undertaken as part of the Central Bank of Ireland led Tracker review. Following completion of this review the Bank has concluded that the mortgage in question was not eligible for redress and/or compensation under this examination, as there was no tracker entitlement in the mortgage terms and conditions.

In forming this decision the Bank was mindful in particular of the Letter of Approval for an Equity Release Variable Rate Secured Personal Loan, which was issued to you on 30 June 2008. The mortgage was for €200,000.00 at a rate of 5.69% (APR 5.80%) over a 25 year term (copy Letter of Approval enclosed).

….

The loan offer was accepted by you, and you acknowledged with your signature that you had obtained or been given an opportunity to obtain independent legal advice prior to accepting the offer of an additional loan. The mortgage was issued on 14 July 2008 at a rate of 5.69% and in accordance with the mortgage Terms and Conditions remained on a variable rate until you opted to change to a managed variable rate on 15 November 2015. The mortgage has remained on a managed variable rate since 17 November 2015.

….”

It is important for the Complainants to understand that in **October 2007** they were seeking additional lending from the Provider, secured against the equity in the Complainants' property the subject of mortgage loan account ending ***1402***. There was no obligation on the Provider to offer the Complainants the amount that they sought to borrow or to structure the lending arrangement as an addition to their existing home loan under mortgage loan account ending ***1402.*** The Provider offered a loan to the Complainants for a consolidated amount of the Complainants' entire proposed borrowings to include the balance due on their existing mortgage loan at the time and the additional amount which they required to borrow totalling €200,000.

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It is clear from the loan documentation that the type of loan that the Complainants were offered by the Provider in **June 2008** was an equity release loan and this loan, which was drawn down on mortgage loan account ending ***2888***, was an entirely separate loan to the Complainants' original mortgage loan account ending ***1402.*** Therefore, I am of the view that whether or not a tracker interest rate applied to mortgage loan account ending ***1402*** was not relevant to the interest rate applicable to mortgage loan account ending ***2888***. The variable interest rate applicable to mortgage loan account ending ***2888*** made no reference to varying in accordance with variations in the ECB refinancing rate, rather it was a variable rate which could be adjusted by the Provider.

The Provider submits that at no point did it offer tracker interest rates on equity release products. In this regard, I accept that the Provider operates as a business and is entitled to offer products and set interest rate options based on its own commercial discretion. The Provider was not offering tracker interest rates on equity release products in **June 2008** or at any other time and this was a commercial decision the Provider was entitled to make. It is clear from the **Lending Interest Rates** set out above that the interest rates available for equity release loans were variable or fixed rates. The **Equity Release Brochure** submitted by the Provider in evidence also outlines that the available interest rate options were a standard variable interest rate and a fixed interest rate. The Provider was not under any obligation to offer the Complainants a tracker interest rate option on the equity release product option in **June 2008**, or at any other time.

For the reasons set out in this Decision, I do not uphold the complaint.

<u>Conclusion</u>

My Decision pursuant to ***Section 60(1)*** of the ***Financial Services and Pensions Ombudsman Act 2017***, is that this complaint is rejected.

The above Decision is legally binding on the parties, subject only to an appeal to the High Court not later than 35 days after the date of notification of this Decision.

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GER DEERING
FINANCIAL SERVICES AND PENSIONS OMBUDSMAN

5 May 2021

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Pursuant to *Section 62* of the *Financial Services and Pensions Ombudsman Act 2017*, the Financial Services and Pensions Ombudsman will publish legally binding decisions in relation to complaints concerning financial service providers in such a manner that—

(a) ensures that—

(i) a complainant shall not be identified by name, address or otherwise,

(ii) a provider shall not be identified by name or address,

and

(b) ensures compliance with the Data Protection Regulation and the Data Protection Act 2018.