



<u>Decision Ref:</u>	2020-0048
<u>Sector:</u>	Banking
<u>Product / Service:</u>	Tracker Mortgage
<u>Conduct(s) complained of:</u>	Refusal to move existing tracker to a new mortgage product Failure to offer a tracker rate at point of sale Failure to offer a tracker rate throughout the life of the mortgage
<u>Outcome:</u>	Rejected

**LEGALLY BINDING DECISION
OF THE FINANCIAL SERVICES AND PENSIONS OMBUDSMAN**

Background

This complaint relates to a mortgage loan account held by the Complainants with the Provider. The mortgage loan is secured on the Complainants' private dwelling house.

The loan amount was €165,000 and the term was 19 years. The Letter of Approval which was signed on **15 March 2011** outlined the Loan Type as *"5 Year Fixed Rate Home Loan"*.

The Complainants' Case

On **29 February 2008**, the Complainants were issued two mortgage loan Letters of Offer in the sum of €250,000 each. The Complainants submit that the mortgage loans were for the purpose of purchasing a new private dwelling house. The Complainants submit that one account operated on an interest only tracker rate of 4.75% (ECB + 0.75%) and the other operated on a capital and interest tracker rate of 4.75% (ECB + 0.75%).

The Complainants outline that the reason they borrowed in the form of two tracker interest rate loans was because the Complainants were waiting to receive funds from an inheritance. The Complainants indicate that in **March 2011** while still renovating their new home they

sold their old home and moved into the “*partially renovated*” new home. The Complainants submit that during this time they were in contact with the Provider’s branch manager. The Complainants outline that they informed the branch manager that the sale of the property had been finalised and they were due to receive €315,000. On receipt of funds from the sale of their home the Complainants submit they cleared the residual balance of €228,000 on the interest only mortgage loan, and they also reduced the balance of the capital and interest mortgage loan by €87,000, which resulted in a residual balance of €163,000 on that account.

The Complainants submit that the branch manager informed them that they “*were not allowed to keep the capital and interest Tracker account [ending] 2208*” and they had to enter into either a “*fixed or variable contract*” and that they were placed under “*severe duress*” by the branch manager to accept a fixed or variable rate. The Complainants outline that at the time “*due to financial pressures and no financial advice*” they told the branch manager that the fixed repayment option was the one to proceed with. They submit that the manager also encouraged them to borrow an additional €2,000.00 for solicitor’s fees. They submit that the Provider’s behaviour was “*extremely unethical and unprofessional*”.

The Complainants accepted a Letter of Approval for a new mortgage loan account ending **1000** dated **4 March 2011** by signing an Acceptance of Loan Offer on **15 March 2011**. The particulars of the mortgage loan offer detailed that the loan amount was €165,000 and the interest rate applicable was a five year fixed interest rate of 3.70%.

The mortgage loan accounts ending **9427** and **2208** were redeemed on **5 April 2011**. The Complainants submit the redemption of the capital and interest mortgage loan was “*not an action that [we] wanted to pursue.*”

The Complainant submits that **Condition 10** of the **General Terms and Conditions** in the Letter of Approval dated 4 March 2011 led them to believe that on the expiry of the five year fixed interest rate period they would be “*put back on the correct rate*”. They submit that upon the expiry of the fixed term, the mortgage loan account ending **1000** was placed on a variable rate.

The Complainants submit that they contacted the Provider on **12 October 2016** to ask why the tracker rate had been “*removed*” from their mortgage loan. They submit that they were “*very disappointed*” with the Provider’s response that under the terms and conditions of the mortgage loan, they have no entitlement to a tracker rate. They submit “*the influence of [the Provider’s representative] led [them] to believe [they] had no other option and to go forward on a fixed or variable rate [in 2011].*”

The conduct complained of is that the Provider forced the Complainants to give up their tracker rate on the capital and interest mortgage loan account in March 2011, and the Provider failed to offer the Complainants a tracker interest rate on the mortgage loan account ending **1000** on the expiry of the 5 year fixed period in March 2016.

The Complainants are seeking the following from the Provider;

- a) Compensation for the higher rate applied to the mortgage loan account ending **1000** instead of the tracker rate.
- b) The tracker rate "*re-instated*" on mortgage loan account ending **1000**.
- c) An apology from the Provider "*regarding the duress that placed on [the Complainants] in order to terminate [the] tracker.*"

The Provider's Case

The Provider submits that two mortgage loans were issued to the Complainant in **2008** as follows;

- mortgage loan account ending **9427** was for €250,000, over a 23 year term on a tracker interest rate of 4.75% (ECB + 0.75%). This mortgage loan was capital and interest.
- mortgage loan account ending **2208** was for €250,000, over a 23 year term on a tracker interest rate of 4.75% (ECB + 0.75%). This mortgage loan was interest only.

It outlines that the security in respect of both loans was a mortgage on the Complainants' then existing home.

The Provider states that a Letter of Approval issued on **4 March 2011** in respect of the mortgage loan account ending **1000** in a sum of €165,000, which was to be secured by the Complainants' new home. It submits that the Letter of Approval included **Special Conditions 12 and 13** which stated that the mortgage loan accounts ending **9427** and **2208** would be redeemed from the sale of the Complainants' then existing property and the new mortgage loan of €165,000. The loan redemption and sale occurred in **April 2011**.

It states that there is no basis on which the Complainants, in redeeming the **2008** mortgage loans, could "*keep*" the rate of interest which applied to that loan after they redeemed the loan. The Provider submits that a new loan issued to the Complainants in **March 2011** because the Complainants required a new loan secured on their new private dwelling house. In order to do this the Complainants had to redeem the 2008 loans as these were secured against their former private dwelling house, which they were selling in 2011.

The Provider outlines that in **March 2011**, the interest rate options offered by the Provider in respect of new home loans were fixed rates or variable rates. The Provider had ceased offering tracker rates for new loans from **mid-2008** and did not introduce tracker portability loans until **2014**. It states that therefore when the Complainants were applying for a loan in 2011, the only interest rate options available to them at that time were fixed and variable interest rates.

The Provider does not accept the Complainants' submission that they were placed under "*significant duress*" to accept the new fixed interest rate loan in or around March 2011. It submits that its lending interest rate sheet dated **21 February 2011** displays the other fixed rates then available and the variable rate available, and the Complainants opted for a fixed rate of 3.7% for a period of five years. The Provider outlines that during a mortgage application, it is normal practice for the Provider to discuss all available loan products with its customers which allows customers the opportunity to examine various products and options and ultimately choose a mortgage product and interest rate suited to their needs. The decision as to which product and rate option to choose was for the customer alone to make based on his/her personal circumstances.

The Provider submits that the Complainants accepted the loan offer in the presence of their solicitor on **15 March 2011**. It states that where a customer is availing of a new mortgage facility, a solicitor's service is required as part of the application process and therefore in this instance the Complainants were required to engage with a legal representative. When signing the Acceptance of Loan Offer, the Complainants confirmed that they had sought legal advice and that their solicitor had fully explained the terms and conditions of the loan prior to them accepting the Provider's offer. The Provider further states that the Complainants' solicitor had contacted the Provider in **February** and **March 2011** with regard to the redemption of the mortgage loan accounts ending **9427** and **2208**. The Provider is of the view that this indicates that the Complainants did seek legal advice and also confirms that their solicitor communicated with the Provider with regard to their loan accounts.

The Provider outlines that the Complainants were not offered a tracker rate on the mortgage loan account ending **1000** at the end of the five year fixed interest rate period in 2016 as they did not have a contractual entitlement to be offered a tracker rate. The Provider states that the Complainants were informed that at the end of the initial fixed rate period of 5 years, they could opt for a further fixed term (if available) or move to a variable rate. The Provider relies on **Special Condition 10** of the Complainants' **Letter of Approval** and **Condition 5** of the **General Mortgage Loan Approval Conditions** to support this.

The Provider submits that it does not accept that **Special Condition 10** would lead the Complainants to conclude that they would be entitled to "*revert*" to a tracker rate on the expiry of the fixed period. It outlines that Special Condition 10 describes factors relevant and

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potentially relevant to the setting of the rate at the end of the fixed rate period. On that date, the Provider was not offering a tracker rate of interest on the expiry of a fixed rate period and a tracker rate was not the variable rate which the Provider had selected as its default expiry rate to be applied in the event of the Complainants not selecting a rate. It submits that the availability of a tracker rate did not in fact occur and consequently, the Provider did not include a tracker rate option in the options given to the Complainants.

The Provider submits that it has no record of the options form being returned and on **01 April 2016** it issued the Complainants correspondence confirming that their interest rate had been amended to the LTV variable rate of 4.50%. It submits that the Complainants' mortgage loan account ending **1000** has remained on the LTV variable rate and is currently on a rate of 4.50%.

The Complaints for Adjudication

The complaints for adjudication are;

- (a) The Provider forced the Complainants to give up the tracker interest rate on their capital and interest mortgage loan in 2011; **and**
- (b) The Provider wrongfully failed to offer the Complainants the option of a tracker rate at the end of the initial fixed rate period in **April 2016**.

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 **03 January 2020**, outlining the preliminary determination of this office in relation to the complaint. The parties were advised on that date, that certain limited submissions could then be made within a period

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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.

Following the issue of my Preliminary Decision, the following submission were received from the parties:

- Letter from the Complainants to this Office dated 13 January 2020.

Copies of these additional submissions were exchanged between the parties.

Having considered these additional submissions and all of the submissions and evidence furnished to this Office, my final determination is set out below.

In order to adjudicate on this complaint, it is necessary to review and set out relevant provisions of the Complainants' three mortgage loans (accounts ending **9427**, **2208** and **1000**) and to consider the interactions between the Complainants and the Provider between 2008 and 2016.

The first issue to be determined is whether the Provider wrongfully refused to allow the Complainants to retain their tracker mortgage loan account in 2011 and put them under "duress" to accept a mortgage loan on a fixed interest rate.

The Complainants approached the Provider to seek a mortgage loan in **February 2008**. Two letters issued to the Complainants both dated **29 February 2008**. The letter with respect to mortgage loan account ending **9427**, outlined as follows:

"Proposal

We propose the following:

Tracker – A variable interest rate that is linked to ECB rates

Split Loan – Combination of any mortgage repayment options

...

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;

<i>Amount of loan required</i>	<i>€250,0000.00</i>
<i>Property price/value</i>	<i>€0.00/€560,000.00</i>
<i>Loan Purpose</i>	<i>Refinance/Restructure</i>

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Loan Type Tracker (LTV<=60%/>=200k) HomeLoan
Repayment term required 23 years
Flexible repayment option None

...

Customer wishes to take an annuity and interest only mortgage so is splitting the mortgage amount"

The letter with respect to mortgage loan account ending **2208** contained the same mortgage details agreed, as above, save the Loan Type was *Tracker (LTV<=60%/>=200k) Int Only HomeLoan*. The letter further detailed *"THIS LOAN IS BEING ISSUED INTEREST ONLY"*.

The Complainants submitted a valuation report to support the application for the total borrowings of €500,000. The Valuer noted in the report that the property was *"owner occupied"* and its then present value was €560,000.

The purpose of the mortgage loans have not been recorded in any of the documentary evidence furnished to me. However it is understood and accepted between the parties that the purpose of the mortgage loans was to buy a property (*"Property B"*). The mortgage loans were however secured against a separate property ie. the house that the Complainants' occupied in 2008 as their private residence (*"Property A"*).

Two **Letters of Approval** dated **29 February 2008** issued to the Complainants which contained the following details;

Mortgage loan account ending 9427	Mortgage loan account ending 2208
<i>Loan Type: Tracker (LTV<=60%/>=200K) Homeloan</i>	<i>Loan Type: Tracker (LTV<=60%/>=200K) Int Only Homeloan</i>
<i>Loan Amount: €250,000.00</i>	<i>Loan Amount: €250,000.00</i>
<i>Interest Rate: 4.75%</i>	<i>Interest Rate: 4.75%</i>
<i>Term: 23 year(s)</i>	<i>Term: 23 year(s)</i>

The **Special Conditions** to both Letters of Approval detail as follows;

"The interest rate applicable to this tracker mortgage loan may be varied from time to time by [the Provider] provided the interest rate will not exceed 0.75% over the European Central Bank refinancing rate (the "ECB Rate"). The ECB rate may be varied from time to time by the European Central Bank (the "ECB"). In the event of any variation of the ECB rate, the interest rate applicable to this loan will not be more than 0.75% over the ECB rate as varied by the ECB and the revised interest rate for the loan will apply not later than one calendar month from the date provided by the

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ECB as the date on which the variation to the ECB rate will take effect. [The Provider] reserves the right to alter the said percentage over the ECB rate at any time prior to drawdown of the loan.”

It is clear that these loan offers envisaged that the tracker interest rate applied to the Complainants’ mortgage loan accounts for the lifetime of these loans and would reflect any amendments (increases or decreases) to the applicable tracker rate as set out by the European Central Bank until the proposed date of maturity. It is clear from the evidence before me that if the Complainants had not opted to redeem the mortgage loans early, they would have been entitled to avail of the tracker interest rate until the terms of both mortgages ended.

The Complainants submitted an **Application for Credit** which was signed by the Complainants on **21 February 2011**.

The Application for Credit identified Property B as the property to be mortgaged and also outlined as follows;

<i>“Amount of Loan required:</i>	<i>€165,000.00</i>
<i>Purchase price / value of property:</i>	<i>€625,000.00</i>
<i>Loan type:</i>	<i>5 Year Fixed Rate Home Loan”</i>

The **Application for Credit** was supported by a Client Statement of Affairs, as at November 2009, which recorded that the Complainants held 3 properties and a 1/5 share of a fourth property. With respect to the two properties to which this complaint relates, the following was detailed;

- **Property A** was recorded as a 5 Bedroom House on 1/3 acres with an estimated value of €500,000. The property was noted as being subject to mortgage loan accounts ending **9427** and **2208**.
- **Property B** was recorded as a 4 Bedroom Detached House on ¾ acres with an estimated value of €800,000 and there was no mortgage balance on the property.

I note that the Complainants’ solicitor wrote to the Provider on **4 February 2011** as follows;

“Please let us have redemption figures together with the daily accrual rate for the above account.”

I note that on **08 February 2011**, the Provider wrote to the Complainants’ solicitor detailing as follows;

“Thank you for your recent request for the amount you need to pay to clear your mortgage. Here are the details.

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<i>Loan Number</i>	<i>Amount €</i>	<i>Daily Accrual</i>	<i>Inclusive of fixed rate exit fee €</i>
<i>[ending] 9427</i>	<i>227,335.35</i>	<i>10.9</i>	<i>0.00</i>
<i>[ending] 2208</i>	<i>250,055.52</i>	<i>11.98</i>	<i>0.00</i>

The Complainants' solicitor wrote again to the Provider on **29 March 2011** as follows;

"We write in relation to the above matter and would be obliged to receive redemption figures on the above accounts together with daily accrual."

I note that on **31 March 2011**, the Provider wrote to the Complainants' solicitor detailing as follows;

"Thank you for your recent request for the amount you need to pay to clear your mortgage. Here are the details."

<i>Loan Number</i>	<i>Amount €</i>	<i>Daily Accrual</i>	<i>Inclusive of fixed rate exit fee €</i>
<i>[ending] 9427</i>	<i>226,778.57</i>	<i>10.86</i>	<i>0.00</i>
<i>[ending] 2208</i>	<i>250,297.58</i>	<i>11.98</i>	<i>0.00</i>

The Letter of Approval for the new mortgage dated **04 March 2011** details as follows;

<i>"Loan Type:</i>	<i>5 Year Fixed Rate Home Loan</i>
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Purchase Price / Estimated Value: EUR 625,000.00
Loan Amount: EUR 165,000.00
Interest Rate: 3.7%
Term: 19 year(s)"

The "Mortgage Property" was noted as Property B.

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

"Special Conditions

12. That the total loan with [the Provider] (a/c no [ending] 2208) be discharged prior to cheque issue and appropriate evidence be submitted to [the Provider].

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13. That the total borrowings with [the Provider] (a/c no [ending] 9427) be discharged from the proceeds of [the Provider's] advance."

The Complainants signed and accepted the Letter of Offer for mortgage loan account ending **1000** on **15 March 2011**.

Property A was sold by the Complainants in **April 2011** for €315,000.00. The mortgage loan account ending **1000** was drawn down on **1 April 2011** and mortgage loan accounts ending **9427** and **2208** were redeemed on **5 April 2011**.

The Complainants signed the Acceptance of Loan Offer for mortgage loan account ending **1000** on **15 March 2011** having confirmed that the Loan Offer had been explained to them by their solicitor. If the Complainants were not happy with the conditions set out in the Letter of Offer dated **4 March 2011**, including the requirement to redeem the existing mortgage loans, as outlined in Special Conditions 12 and 13 and the fixed interest rate offered, then the Complainants were under no obligation to sign the Loan Acceptance in **March 2011**.

Property A was the security for mortgage loan accounts ending **9427** and **2208**. The Complainants were selling Property A and there was a difference between the sale price of Property A and the balance outstanding on the mortgage loans (accounts ending **9427** and **2208**), thus the only option available to the Complainants, in the absence of having finances available to them elsewhere to discharge those loans, was to redeem those loans and take out a new loan. I cannot see how it would have been possible for the Complainant to keep the balance outstanding of €163,000 on the existing tracker interest rate loan that was on capital and interest (mortgage loan account ending **9427**), in circumstances where the Complainants were selling the underlying property which secured that mortgage loan (Property A).

It is also clear to me that there was no provision in the terms and conditions of the mortgage loan which entitled, either the Complainants or the Provider to amend the property which secured the mortgages.

The Complainants in their submissions have outlined that they cannot "*understand*" why account ending **9427** was "*closed down*" "*when it was not cleared and opened up a complete new one for the balance*" and in this respect they were "*wronged*" by the Provider. It is important for the Complainants to be aware that they could not continue to hold the mortgage loan under account ending **9427**, when they were selling the property that was security for that mortgage loan.

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I have not been provided with any evidence that the Complainants were “*put under severe duress*” by the Provider’s representative to accept the new fixed interest rate loan and to borrow an additional €2,000 for solicitor’s fees in **March 2011**. The Complainant submits that this took place during “*a phone conversation*”. The Provider has submitted that due to a number of constraints, including the passage of time and technical limitations of the Provider’s historic telephone recording system which is no longer in use, it is not in a position to locate any existing relevant telephone recordings. This is most disappointing. As such, I am unable to comment further on the alleged discussions in the absence of any contemporaneous notes or other documentation demonstrating that these discussions took place or the date(s) on which they allegedly took place. Notwithstanding what may have been communicated to the Complainants by the Provider at any such alleged discussions in March 2011, in circumstances where the Complainants had decided to sell Property A, they were looking to have the security released on that property by the Provider. In order to do so, they had to secure additional funds to meet the shortfall and the Provider, at their request, offered them a mortgage loan to do so. The new mortgage loan was offered to the Complainants on a 5 year fixed interest rate, for a term of 19 years in the amount of €165,000 and it was a matter for the Complainants to decide whether to accept that offer, which they did.

The 5 year interest rate offered by the Provider is in accordance with the Provider’s then available interest rates. The Provider has submitted into evidence a copy of a published marketing document entitled **Lending interest Rates**, which is noted as being “*effective from the start of business on the 21st February 2011*”. This document outlines as follows;

“Rates applicable to new Variable Rate

<i>Home Loans</i>	<i>Rate</i>	<i>APR</i>
<i>1 Year New Business Variable</i>	4.6%	5.7%

Rates applicable to new Fixed Rate

<i>Home Loans</i>	<i>Rate</i>	<i>APR</i>
<i>2 Year Fixed <50% LTV</i>	3.10%	5.2%
<i>5 Year Fixed<50% LTV</i>	3.70%	4.8%
<i>7 Year Fixed<50% LTV</i>	4.50%	5.0%
<i>10 Year Fixed<50% LTV</i>	4.50%	4.9%

There was no obligation on the Provider to offer the Complainants a tracker interest rate on the new mortgage loan. A tracker interest rate did not form part of the Provider’s suite of products at the time the Complainants submitted their application and were issued with the Letter of Approval on the basis of that application in **2011**. There was no obligation on the Provider to offer the Complainants a tracker interest rate on the mortgage loan at that time.

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The tracker portability product did not become available as part of the Provider's product offering until some three years later in **2014**.

The second issue to be determined is whether the Provider wrongfully failed to offer the Complainants the option of a tracker rate at the end of the initial fixed rate period in April 2016

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

"Special Conditions

...

7. *General mortgage loan approval condition 5 "conditions relating to fixed rate loans" applies in this case. The interest rate specified above may vary before the date of completion of the mortgage.*

...

10. *On expiry of the fixed rate period the interest rate will be such rate as may be selected by the Applicant(s) from the [Provider] rates then offered for selection by the Applicant(s) or such variable interest rate (which may be a tracker variable rate) as will apply in the absence of such selection.*

General Condition 5 of the General Mortgage Loan Approval Conditions outline;

"CONDITIONS RELATING TO FIXED RATE LOANS

5.1 *If it is stated in the Letter of Approval that the Advance is to be subject to a fixed rate the interest rate applicable to the advance shall be fixed from the date of the Advance for the period (a "Fixed Rate Period") as specified on the Letter of Approval.*

...

5.4 *[The Provider] and the Applicant shall each have the option at the end of each Fixed Rate Period to convert to a variable rate loan agreement which shall carry no such redemption fee."*

It is clear to me that the Letter of Approval envisaged a five year fixed rate of 3.7% and thereafter the option of a variable rate, which "*may*" be a tracker variable rate, or a variable rate which could be adjusted by the Provider. The Complainants accepted the Letter of Offer having confirmed that the Loan Offer had been explained to them by their solicitor in **March 2011**.

The Provider wrote to the Complainants on **2 March 2016** and outlined as follows;

"I am writing to remind you that the current rate option on your mortgage account will end on 01 Apr 2016.

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Please find attached the current options available to you.

...

If we do not receive a written instruction from you in relation to the above on or before the 01 Apr 2016, the interest rate on your mortgage will be the LTV variable rate."

I note from the options form furnished in evidence that the Complainants were offered the LTV variable rate of 4.50%, a 2 year fixed rate of 7.25% and a 5 year fixed rate of 8.75%. They were not offered a tracker interest rate in March 2016.

I have considered the Provider's explanation of its policy in respect of its tracker interest rate offering on the maturity of fixed rate periods. It has detailed as follows;

"The rate options offered in 2016 did not in fact include a tracker rate option as the Bank was not offering tracker rates in 2016 in such circumstances unless there was a contractual entitlement in the Letter of Approval."

Having considered the Complainants' mortgage loan documentation, I accept, that there was no contractual obligation on the Provider under **Special Condition 10 of the Letter of Offer** or **General Condition 5 of the General Mortgage Loan Approval Conditions** to offer the Complainants a tracker interest rate at the end of the fixed rate period in **April 2016**. Whether the Provider offered the Complainants a tracker interest rate at that time, was dependent on whether the tracker interest rate was a rate that the Provider offered in its suite of products at the time of the expiry in the fixed interest rate period. I understand that the Provider ceased offering tracker interest rates in **mid-2008**.

Consequently it was a matter of commercial discretion for the Provider as to whether it wished to accede to any request made by the Complainants to apply a tracker interest rate to the mortgage loan. It appears that the Complainants did make such a request on **1 October 2016**. I accept that it was entirely within the Provider's rights not to accede to this request.

I have been provided with no evidence that the Provider acted incorrectly in its management of the Complainants' mortgage loan accounts. Having considered the documentation provided in evidence by both the Complainants and the Provider, it appears that the Complainants voluntarily chose to redeem their mortgage loans (accounts ending **9427** and **2208**) which were on tracker interest rates in order to sell the property that was held as security for those loans and by doing so they opted to terminate their mortgage contracts with the Provider. There was no contractual or other obligation on the Provider to offer the Complainants a tracker interest rate on the new mortgage loan (account ending **1000**) in March 2011 or March 2016, when the fixed interest rate period ended.

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

Conclusion

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.

**GER DEERING
FINANCIAL SERVICES AND PENSIONS OMBUDSMAN**

03 February 2020

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.