

The complaint

Ms O complains that Bank of Scotland plc (trading as Halifax) treated her unfairly when it agreed a payment arrangement for a joint mortgage without her consent.

What happened

Ms O took out a mortgage with Halifax in mid-2017, with her ex-partner. Ms O separated from her ex-partner in 2018. Her ex-partner continued to live at the property and Ms O says they agreed that he would make monthly mortgage payments.

Halifax agreed a payment arrangement with Ms O's ex-partner in mid-2021. Ms O says this was unfair.

Ms O says Halifax agreed not to make changes to the mortgage without her consent. She says she made Halifax aware of her ex-partner's abusive behaviour and it shouldn't have agreed changes that could cause her financial detriment. She'd previously raised complaints when Halifax agreed payment deferrals with her ex-partner in 2020. Ms O says the payment arrangement took pressure off her ex-partner and prolonged the time that he remained in the property, at her expense.

Ms O says she was worried the payment arrangement would stop her getting a mortgage in future and she had to make mortgage payments to protect her credit rating. In late 2021 Ms O bought her ex-partner out of the property and repaid the mortgage.

Ms O would like information about Halifax's policies and procedures, as she's concerned that Halifax doesn't have suitable processes in place to protect customers in circumstances like hers.

Our investigator said Halifax could have handled the matter better and recommended it pay £250, which it agreed to do.

Ms O didn't agree. She said compensation of £2,500 would better reflect the stress and inconvenience she experienced. Ms O said the payment arrangement prolonged negotiations with her ex-partner regarding the property. She said he remained in the property for longer as a result, while she paid the mortgage and for her own accommodation.

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.

Ms O contacted Halifax in mid-2021. She was upset that it had agreed a temporary payment arrangement for the mortgage without her consent. She said Halifax had agreed it wouldn't make changes to the account without her consent. Halifax said it didn't need consent from both account holders to offer a payment arrangement.

We provide an informal dispute resolution service. We aren't regulators and we don't have

the same powers as a regulator. While I understand the concerns expressed by Ms O, I can't require Halifax to provide copies of its internal policies and procedures to her. Nor can I require it to make changes to its processes for dealing with accounts where an account holder is vulnerable or there is a dispute between the account holders. What I can consider is whether Halifax treated Ms O fairly.

Ms O spoke to and wrote to Halifax in 2019. She said her relationship had broken down due to violence. Halifax sent a letter to Ms O in June 2019. This confirmed a marital dispute warning had been applied to the account and "*for the majority of changes the authority of all account holders is required*". The letter didn't say Halifax had to seek Ms O's prior consent to all changes. I also think it's reasonable for Halifax to say that a temporary payment arrangement is a forbearance measure, rather than a change to the mortgage terms and conditions.

Halifax wrote to Ms O in June 2021 saying it had agreed a payment arrangement. This letter said to contact it if she didn't want to go ahead with the payment arrangement. Ms O was upset that Halifax had agreed this with her ex-partner without her prior consent.

Ms O says Halifax agreeing to the payment arrangement caused problems which took time, and expensive emails between solicitors, to sort out. She says it allowed her ex-partner to remain in the property for longer, at her expense.

I think it's likely that Ms O would have been in substantially the same position if Halifax hadn't agreed the payment arrangement. If Ms O's ex-partner couldn't (or didn't) make payments, she'd have had to decide whether to make the payments herself to protect her credit file. He'd missed or been late with payments earlier in 2021 so this was a real possibility, regardless of whether Halifax agreed a payment arrangement.

Ms O says her ex-partner used the previous payment deferrals and the payment arrangement offered in mid-2021 to justify not making payments while staying in the property. Ms O says this meant it took longer to reach the point where she bought out his share and he left the property. In order to protect her credit rating she had to pay the mortgage, and also had to pay for her own accommodation in the meantime.

Ms O says she was in difficult, protracted and expensive negotiations with her ex-partner regarding the property during this period. She says it was 3.5 years from them separating to her ex-partner leaving the property. I don't think I can fairly and reasonably find that Halifax offering a payment arrangement was the only, or even the main reason, Ms O didn't reach agreement with her ex-partner about the property sooner. Or that it increased her legal costs as compared to her ex-partner simply ceasing to make payments.

I have to be fair to both parties here. I'd expect Halifax to respond fairly and offer suitable support when a borrower says they are in financial difficulty. I haven't looked into – and make no findings about – its dealings with the other account holder and whether it was fair to offer the payment arrangement.

I think though that Halifax could have been more sympathetic when considering how Ms O would be affected. Ms O had told Halifax the relationship was abusive, and about her concerns that her ex-partner would try to exercise financial control through the joint mortgage account. She'd raised two complaints in 2020, which show her level of concern about this. She'd raised concerns with Halifax that her ex-partner hadn't been honest in his application for a payment deferral. Ms O had told Halifax she needed to maintain a good credit rating, so she could raise finance in future. Most likely, a payment arrangement would be recorded on her credit file.

I've thought about what Halifax could have done differently. It could, for instance, have considered first contacting Ms O to see if she wanted to make the payments herself. Ms O wouldn't have first found out about the payment arrangement after it had been agreed and confirmed in writing. She'd have had more time to decide what to do and, if she chose to do so, make arrangements to pay the mortgage.

Ms O was in a distressing situation. But Halifax isn't responsible for the behaviour of her ex-partner. I don't think Halifax was responsible if her ex-partner caused delays to the ownership and occupancy of the property being sorted out, or if (despite their agreement) he decided not to make mortgage payments. I think, for the additional upset and inconvenience caused by Halifax agreeing a payment arrangement without first discussing this with Ms O, compensation of £250 is fair and reasonable.

My final decision

My decision is that I uphold this complaint. I order Bank of Scotland plc (trading as Halifax) to pay £250 to Ms O.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 19 August 2022.

Ruth Stevenson
Ombudsman