

The complaint

This complaint is about Mr O's interest-only mortgage with Santander UK Plc, which he took out in April 2008 and which matured in April 2021. Mr O says that Santander incorrectly calculated the interest due, as a result of which the redemption statement dated 4 March 2022 was also inaccurate.

To settle the complaint Mr O wants Santander to conduct a full audit of his mortgage account so that he can pass Santander's findings to a third party to corroborate those findings.

What happened

I do not need to set out the full history of the complaint. There are several reasons for this. First of all, the history of the matter is set out in detail in correspondence, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr O being identified. So for these reasons, I will instead concentrate on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

An investigator concluded that we could only consider Mr O's complaint in relation to events after 16 June 2019 up to 15 December 2022. That's because Santander had issued a final response letter on 15 June 2019 addressing an earlier complaint Mr O had made about the incorrect calculation and application of interest to his mortgage account. Mr O didn't refer his complaint to our service within six months of the date of that letter and there were no exceptional circumstances to explain the delay. The complaint wasn't raised with us until 15 December 2022.

Mr O accepted this, and so the investigator went on to consider what had happened since 15 June 2019. He noted Mr O had produced his own account audit carried out on behalf of a third party claims management company (CMC). The investigator explained that the report had not used the correct interest rate and therefore its conclusions were unreliable. He also noted that the account had been in arrears, as a result of which additional interest and fees had been incurred. The investigator was satisfied that the redemption statement issued on 4 March 2022 accurately recorded the position on the account at that date.

Mr O disagreed and asked for an ombudsman to review the complaint. He said that the investigator had failed to answer the questions he'd posed, and ignored his requests for further information. He also said that the investigator hadn't addressed the mortgage interest report in relation to overpayments.

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 will explain first that the Financial Ombudsman Service is independent of both consumers and the businesses they are complaining about. This means that we don't act for

consumers, nor do we take instructions either from consumers or businesses, or allow either party to direct the course of our investigations; were we to do so, it would compromise our independence and impartiality. It's up to us to determine what evidence we need in order to investigate a complaint. So although I've noted the questions which Mr O would like answered, it's not my role to put those questions to Santander or act as a representative or go-between on this case.

I'm satisfied that we can only consider Mr O's complaint in relation to events arising after 15 June 2019. Santander had addressed Mr O's previous complaint about what he claimed was the inaccurate application of interest to his mortgage and issued a final response letter on 15 June 2019. That letter gave Mr O six months to bring his complaint to our service. He didn't do so. Because Santander hasn't consented to us looking at the issues covered in that letter, and there are no exceptional circumstances to explain the delay, that part of the complaint is out of time.

The crux of Mr O's complaint is that he says the report he has sent us shows that interest has been inaccurately calculated and applied to his mortgage account. However, the report takes no account of the arrears on the account, as a result of which additional interest and fees have accrued, resulting in an increased account balance. The CMC has also used a notional interest rate of its own choosing rather than the contractual rate. It is therefore not an accurate reflection of the mortgage contract.

Santander has provided the Financial Ombudsman Service with detailed information about the reasons why it varied its SVR in the way that it did. The information Santander has given us is commercially sensitive, so can be treated as confidential. The information has been reviewed in line with Santander's mortgage documentation, relevant law and regulations.

I've considered whether Santander acted fairly overall. Having done so, I'm satisfied the variations to the SVR from 15 June 2019 onward were in line with the mortgage terms and conditions and that Santander exercised those terms fairly. This means that I'm satisfied Mr O was not overcharged interest on the mortgage since 15 June 2019.

Overall I am not persuaded there is any basis to say that the variations Santander made to its SVR resulted in Mr O being charged an unfairly high rate of interest on the mortgage during the period I can consider. Nor does the evidence lead me to conclude that the interest rate applied during that period was unfair for any other reason.

I'm satisfied the redemption statement dated 4 March 2022 accurately sets out the balance to be paid, an amount of £300,148.76, including arrears of £25,582.05. There are no 'overpayments' on the account, as Mr O has suggested.

I understand that there is still an outstanding balance due to Santander. If Mr O is experiencing financial hardship, he may want to speak to one of the free advisory services, such as Citizens Advice, Shelter or the Housing Loss Prevention Advice Service. We can provide contact details for those agencies, if Mr O would like us to. Alternatively, Mr O can speak to an independent financial adviser, details of which he can find on the Financial Conduct Authority website at www.fca.org.uk.

My final decision

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any correspondence about the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 12 October 2023.

Jan O'Leary
Ombudsman