

## **The complaint**

Mr I and Mrs R complain about receiving an email from Santander UK Plc wrongly saying they had an interest only mortgage. They ask for compensation. Mrs R has dealt with the complaint.

## **What happened**

Mr I and Mrs R have a mortgage with Santander. In September 2022 Mrs R and Mr I took out a new fixed interest rate product.

On 8 October 2022 Mrs R received an email saying their interest only mortgage had expired with an unpaid balance. She thought she'd mistakenly agreed to new terms with higher monthly payments without any capital being repaid. Mrs R said this affected her relationship with Mr I, and her health and wellbeing. On 19 October 2022 she received another email saying the 8 October 2022 email was a mistake and she should ignore it.

Santander paid £200 compensation for the upset its email caused.

Our investigator said Santander should pay a further £200 to reflect the impact of the error on Mrs R and Mr I. Santander agreed. Mrs R didn't agree, saying this feel didn't fair.

## **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.

Santander made an error when it sent an email to Mrs R on 8 October 2022 asking her to get in touch as her interest only mortgage had expired with an unpaid balance. It sent a further email on 19 October 2022 saying this was an error. Mrs R says in the meantime this caused her considerable worry and upset.

I'll briefly summarise events prior to this, as it provides background to the complaint.

Mrs R and Mr I had in the past experienced difficulties maintaining payments after a job loss. Their finances improved and in early 2022 Santander agreed to capitalise their arrears. Santander's letters about the capitalisation said the mortgage was on repayment terms with over 18 years remaining. Santander's notes record Mrs R calling Santander on a number of occasions in late 2021 and early 2022 to make payments and discuss the account.

Mrs R and Mr I took out a new product in September 2022. The product offer said the mortgage was on repayment terms with over 18 years remaining.

It was unfortunate that the 8 October 2022 email came only a month after Mrs R and Mr I took out a new product. Mrs R says she thought the email related to the new product they'd taken out in September 2022 and she'd somehow agreed to change to interest only. While Mrs R is suspicious of the timing, I haven't seen anything to suggest this was deliberate on Santander's part.

Mrs R says this affected her health and wellbeing and her relationship with Mr I. She says the current economic circumstances are causing them worry. I can understand this, given they've previously struggled with their monthly mortgage payments.

While I'm very sorry for the upset Mrs R describes, I must in fairness take the wider circumstances into account. Santander sent a further email about 10 days later correcting matters. The fact that the mortgage was on repayment terms and had about 18 years remaining was clearly set out in previous documentation. This could reasonably have alerted Mrs R to the 8 October 2022 email being sent in error. Mrs R could have called Santander immediately after receiving the email to ask what had happened. I say this because Mrs R was able to speak to Santander on a regular basis in late 2021 and early 2022, she dealt with taking out the new product in September 2022 and she was able to call Santander on 1 November 2022 to raise a complaint. If Mrs R had called Santander, it would have been able to put her mind at rest.

Taking all of this into account, I think compensation of £400 (in total) is fair and reasonable in the circumstances.

### **My final decision**

My decision is that I uphold this complaint. I order Santander UK Plc to pay £200 (in addition to the £200 it has already paid) to Mrs R and Mr I.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I and Mrs R to accept or reject my decision before 24 July 2023.

Ruth Stevenson  
**Ombudsman**