

The complaint

Mr S complains that Yorkshire Building Society agreed a temporary Interest only plan with his recently divorced wife without his agreement.

What happened

Mr and Mrs S took out a mortgage with Yorkshire on their family home in 2014. Mr S and his wife are joint mortgage holders with Yorkshire. In early 2021 Yorkshire says that Mr S called to say that as he no longer lived in the property that he would no longer be making the mortgage payments and was going through a divorce. Yorkshire says that the payments were up to date until September 2022 when the second account holder contacted Yorkshire to say that she had difficulty making the payments. Yorkshire said that it agreed a temporary interest only payment plan to assist her with the payment of the mortgage.

Our investigator recommended that this complaint should be upheld in part as Yorkshire should have looked to obtain Mr S's prior consent. She believed that £150 represented fair compensation but said that there was no financial loss. Mr S disagrees saying in summary that Mrs S wasn't complying with the matrimonial court's decision about the sale of the property. Yorkshire accepted our investigator's view.

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.

This complaint arises out of a matrimonial break-up. As I understand it Mr S had left the matrimonial home in early 2021. There appear to have been divorce and other legal proceedings arising out of the break-up of the marriage, and I've seen a court order made in September 2022 dealing with the matrimonial home. Relevant to this complaint is that Mrs S was responsible for discharging the full monthly mortgage repayments and that the home was to be sold and the proceeds of sale divided between them in a certain ratio.

Although Mrs S was responsible for the payment of the mortgage as between her and Mr S, they were both responsible under the terms of the mortgage for payment of it. So, any changes in the payment structure of the mortgage should have been discussed with Mr S. Indeed, Yorkshire recorded this as a flag on the account which said that any changes needed the consent of both parties. Yorkshire agrees that it failed to inform Mr S through human error although he was made aware of the situation shortly afterwards as a letter went to him because of a difficulty with a direct debit involving the new arrangement.

So, as Yorkshire failed to inform Mr S, I agree that this application should be upheld. Yorkshire says that this was done to benefit both parties as if the payments weren't made and they hadn't agreed the arrangement, it would have affected both their credit files if the mortgage payments went into arrears. I can understand the reasoning there and that it may have been to Mr S's benefit despite him not knowing about it. I note that Mr S feels that instead of selling the house under the terms of the court order that Mrs S got this temporary arrangement with the bank. But it doesn't seem to me that the temporary arrangement

prevents the sale of the property – it was after all only a short-term payment arrangement. Indeed, if it prevented arrears appearing on his credit file, it may have been to Mr S's financial advantage. So, my view is that Mr S was understandably upset by Yorkshire's failure, through it says "*human error*", to see whether he consented to the temporary interest only arrangement and should be compensated for that. I agree that the sum of £150 is appropriate.

I've noted that the court order requires Mrs S to pay the full monthly mortgage repayments and under the terms of the agreement with Yorkshire she would seem to have paid less than the full mortgage repayments for that period. But the enforcement of the terms of the court order between Mr S and Mrs S isn't a matter for Yorkshire and it's not my role to interfere with the jurisdiction of the court dealing with the matrimonial breakdown and any alleged breaches of the terms of a court order. So, I don't propose making a further award in this complaint.

Putting things right

Yorkshire Building Society should pay Mr S £150.

My final decision

I uphold his complaint in part and require Yorkshire Building Society to pay Mr S £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 October 2023.

Gerard McManus
Ombudsman