

## **The complaint**

Miss J complains that Yorkshire Building Society (YBS) has failed to treat her fairly when she's tried to make changes to her mortgage that she holds with it.

## **What happened**

Miss J has a mortgage with YBS which was taken out in 2017 as a joint mortgage with her ex-partner. The mortgage was initially on a five-year fixed rate which ended on 30 November 2022.

YBS notified Miss J in August and September 2022 that her fixed rate was due to end. In October 2022, Miss J spoke with a mortgage adviser at YBS to discuss doing a Transfer of Equity (TOE), removing her ex-partner from the mortgage and taking this into her sole name. YBS said this wasn't affordable but booked an appointment for Miss J to discuss a product transfer instead.

YBS spoke with Miss J again in November 2022 and she said her ex-partner would not consent to the mortgage being fixed onto a new product. YBS said it could consider the TOE if Miss J could demonstrate her affordability in paying the mortgage on the Standard Variable Rate (SVR) for six months. Miss J said this would make the mortgage unaffordable in comparison to allowing her to move to a new product with the TOE sooner.

On 1 December 2022, the mortgage moved onto the SVR.

In December, following discussions with a mortgage adviser, it was confirmed that Miss J had been maintaining the mortgage on her own from 2019. YBS agreed if it could be evidenced that the payments were being met by Miss J without regular support from family, it could reconsider the TOE application. Miss J's ex-partner gave his consent for the TOE and YBS sent a mortgage illustration for the mortgage in Miss J's own name on 16 December 2022.

YBS later reviewed this application and although was satisfied Miss J had been maintaining the payments on the mortgage, it didn't think the TOE was affordable. It referred this to its underwriters for review but declined the application.

YBS did look again at whether it could offer Miss J a product transfer. It said this was something it could do and it would revisit the TOE in the future. It sent Miss J a mortgage illustration for a two-year fixed rate product at a rate of 5.86%. Miss J initially accepted this, but within the cooling off period, let YBS know she was not happy with the rate as she'd seen better rates online and a new appointment was booked. Following this, a new offer was sent for a two-year fixed rate at a rate of 4.9%. Miss J later declined to proceed with this offer too and she let YBS know at the end of January 2023 that she was looking to move to another provider.

Miss J complained that YBS treated her unfairly when it said it couldn't move her to a new product without the consent of her ex-partner and that it wouldn't agree to the TOE. Had it acted fairly she could have selected a rate in October 2022.

YBS said sorry for providing poor customer service previously. It said the initial decision was taken that the TOE was not affordable but following the review of the account history and Miss J's payments, it agreed to the TOE. It said an appointment would be scheduled for this application to be completed and once done, Miss J could agree a fixed product without her ex-partner needing to consent or to be notified. To say sorry for the service received falling short of the level it expects, it offered Miss J £200 and credited this to her account.

Our investigator looked at this complaint and didn't think YBS needed to do anything else to put things right. He felt YBS had recognised the failings it made when considering Miss J's applications and the service she received. He felt the offer it had made to put things right was fair and in line with what we'd expect. But it had now allowed Miss J to complete a TOE application and ahead of this, was happy to offer a fixed rate without this change. Miss J didn't complete the product transfer applications she made and hadn't completed the TOE application so the mortgage remained on the SVR, but he didn't think this was because of YBS's actions.

Miss J disagreed with our investigator's opinion so the complaint has been passed to me for a final decision.

### **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've decided not to uphold this complaint for much the same reasons as our investigator. I know this will be disappointing for Miss J, but I'll explain why I don't think YBS needs to do anything else.

It isn't disputed here that YBS made some mistakes when dealing with Miss J and her requests to move her mortgage to a new fixed rate product and to complete the TOE. What is in question is whether YBS should have realised sooner that it needed to do more to help Miss J and if she lost out as a result.

When YBS first spoke to Miss J about her mortgage and it coming to the end of its product term, it explained the consent from the other joint party to the mortgage was required before it could agree a product transfer. When a fixed rate product is taken out the mortgage is liable to an early repayment charge (ERC) if repaid early. So if Miss J was not able to complete a TOE and the property needed to be sold, the ERC could have put Miss J and her ex-partner in a worse position. So I don't think YBS did anything wrong when it said it needed her ex-partners consent.

After this YBS looked at other options for Miss J to allow her to make changes to her mortgage on her own. This included looking at moving the mortgage into her name only with a TOE application. This process meant YBS needed to review Miss J's income to determine whether the mortgage was affordable. Following this, YBS declined the application as it wasn't satisfied it was affordable based on Miss J's income and expenditure. I understand the distress this will have caused as Miss J was looking for options that would allow her to move her mortgage onto a fixed rate and avoid the uncertainty of the SVR, but I don't think YBS acted unfairly when it made the decision at this point.

But this was reviewed in December to ensure it was acting fairly based on Miss J's circumstances and whether it was in her best interest to allow the TOE, even if its normal affordability criteria were not met. Miss J gave more information about how she managed the mortgage on her own from 2019 and YBS agreed the TOE application could be completed. Her ex-partner provided consent but YBS reviewed the application again and decided it

wasn't satisfied, even with the previous payment history, that it was suitable to progress the TOE. But it did look at what else it could do to reduce Miss J's mortgage costs in the interim.

YBS was happy, based on the consent provided by Miss J's ex-partner that the long-term intention would be to move the mortgage to Miss J's name only. It offered a fixed rate product that Miss J declined after she saw rates online that were lower. She was offered a new lower rate after this but this was also declined.

Following this, a mortgage offer was issued on 28 February 2023 for the TOE after Miss J paid the TOE fee and her ex-partner had agreed to be removed. YBS needed the completion certificate document from Miss J before this could be completed and this needed to be received by 27 August 2023. YBS did not hear from Miss J or her solicitor to provide this and as such, the application and offer lapsed in September 2023.

Considering everything, I've not seen anything to show YBS needs to do anything else with this complaint. It has recognised it will have added distress when it didn't look at alternative options to its usual process sooner. But I think it did do what it could to support Miss J with her requests to move her mortgage to a new rate and to help her move this into her own name.

When Miss J failed to engage with YBS on the applications and offers that had been made, I can't say it has done anything wrong when the product was not changed of the TOE not completed. And as the rates available in October 2022 were higher than what Miss J was offered in January 2023, I can't say she lost out when there was a delay in an offer for a product transfer being made.

### **My final decision**

For the reasons I've explained above, I don't uphold Miss J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 24 November 2023.

Thomas Brissenden  
**Ombudsman**