



## **The complaint**

Mr S has complained that he's been unable to get a new preferential interest rate product on his mortgage that he holds with National Westminster Bank Plc.

Mr S holds this mortgage jointly with his former partner. His former partner told NatWest that he doesn't agree to this mortgage being put on a new interest rate product.

## **What happened**

Mr S and his former partner took out this mortgage in 2008 on a fixed interest rate of 5.99% until 31 March 2010, after which it would revert to the standard variable rate (which at the time of the mortgage offer was 7.69%).

Mr S and his former partner separated many years ago, with his former partner leaving the property. And, since 2014, the account has been in arrears at various times over the years.

In February 2022 and February 2023 Mr S was led to believe he could obtain a new preferential interest rate product, which wasn't possible because his former partner had already expressly said he wouldn't agree to it.

Unhappy about what had happened, Mr S complained to NatWest. NatWest said that both parties would need to agree to any new rate, and as his former partner had said he didn't agree the mortgage remained on the standard variable rate.

The complaint was referred to the Financial Ombudsman Service and one of our Investigators looked at it. He said that NatWest hadn't done anything wrong in not allowing the mortgage to move to a new preferential rate. But he did think NatWest should pay £200 compensation to Mr S as it raised his expectations that it would be possible.

Mr S didn't agree and asked for an ombudsman's decision. He also wanted to know more information about what his former partner had said and when about this matter.

## **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 understand Mr S wanted a further week to provide his final submissions. We're now another few weeks on from there and, despite a reminder of the final deadline from our Investigator, nothing further has been received from Mr S. We can't keep cases in abeyance indefinitely and so, as the final deadline has passed, I'll now decide this complaint based on the information already held on file.

I purposely haven't mentioned Mr S' specific personal circumstances in this decision to protect his privacy, but I can confirm that I have read and understood everything that has been said about that. I would like to thank Mr S for how open he has been with us and

NatWest. It is clear things haven't been easy for him, and I hope he will accept my best wishes.

This mortgage remains in joint names, and although only Mr S is party to this complaint, his former partner is still liable for the mortgage. It's not in dispute that Mr S is, in practice, the only one paying this mortgage and has been for many years.

As the mortgage is on the standard variable rate, it means he must pay more each month than if a preferential interest rate was available. I accept that it's not as easy for him to pay a higher payment, and he'd rather pay less.

However, I must also bear in mind that his former partner is still party to the mortgage – and therefore still liable for the monthly payments, as well as the overall outstanding debt.

If a new interest rate product was arranged on the mortgage, that would reduce the monthly payments Mr S is paying. However, it would also tie both of them into the mortgage for the length of the rate when Mr S' former partner has been clear that isn't his wish. If the mortgage came to an end during that period, there would be an early repayment charge. This would increase the debt that his former partner is liable for – and also reduce his share of the equity in the property. Given their relationship has broken down but their finances have not yet been fully separated (due to this mortgage still remaining jointly held), that wouldn't be in either of their best interests. And the same would be true were a product fee to be added to the loan. Put together, that means any change to the interest rate product could be detrimental to Mr S' former partner.

In all the circumstances, I don't think NatWest has done anything wrong. It was caught in the middle of a dispute in wishes between Mr S and his former partner. As a joint party to the mortgage, Mr S' former partner has the same rights as Mr S in relation to the contractual terms and they can't be varied in a way that would be detrimental without his consent. Without that consent it wasn't possible to change the mortgage product.

I understand that Mr S would like more information about what his former partner said and when, but that isn't something either we or NatWest can tell him as it relates to his former partner's personal data, so isn't disclosable without the former partner's consent.

I don't know what Mr S' plans are in relation to the property. It might help Mr S to speak to a financial or legal adviser to find out what his options are in this respect. However, in the absence of any consent from Mr S' former partner, changes can't be made to this mortgage.

I know this isn't the outcome Mr S was hoping for. But after giving the matter careful consideration, I'm unable to find that NatWest has acted unfairly or unreasonably in all the circumstances of this case.

All that said, I appreciate Mr S' hopes were raised when he thought a new product could be arranged. I've thought carefully about what he's told us, including his difficult personal circumstances, but I can only award compensation for the impact on him of NatWest's mistake in raising his hopes. My award is only intended to compensate Mr S for any distress and inconvenience he suffered due to that loss of expectation, not because of the fact he couldn't get a new interest rate product.

After very careful thought I consider the Investigator's recommendation of £200 is a fair and reasonable amount to reflect the impact of that.

**My final decision**

My final decision is that National Westminster Bank Plc should pay Mr S £200 for the loss of expectation that a new rate could be achieved.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 September 2023.

Julia Meadows

**Ombudsman**