

The complaint

Mr S complains that Bank of Scotland plc trading as Halifax agreed a product transfer on a joint mortgage he holds with his wife – despite being aware there was marital dispute and that he did not agree to any changes to the mortgage.

What happened

Mr S has a mortgage in joint names with his wife with Halifax.

In 2018, Mr S separated from his wife. He said he told Halifax about the marital dispute and that he did not agree to any changes to the mortgage without his consent.

In 2023, Halifax transferred the mortgage to a new fixed interest rate product without Mr S's agreement. When he found out, it reversed the transfer and the mortgage reverted to the standard variable rate (SVR).

Mr S complains Halifax treated him unfairly by agreeing the transfer. He said it did not take adequate steps to contact him before agreeing the transfer. He wants Halifax to apologise, to assure him that any future switches will need both parties' agreement and to pay him compensation for the distress caused to him.

The investigator did not think the complaint should be upheld. Mr S did not accept what the investigator said. He made a number of points, including:

- He should have been told about any change in policy regarding accepting single signatures for a product transfer.
- There were no emails, text messages or letters sent to him about the transfer.
- Halifax's evidence said "attempted to contact Mr". it was not clear who "Mr" was.
- The product transfer was requested on 15 February 2023, not on the dates shown in Halifax's evidence.
- His wife was in contact with in during the time in question and made no mention of the product transfer.
- Halifax made one call on 20 February 2023 – he provided his phone history for the relevant dates.

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.

Once Halifax was aware of the marital dispute, it should not have made changes to the mortgage without both parties' consent if the changes might negatively impact the party that

did not consent to the change.

A change to a fixed rate would not necessarily negatively impact Mr S. He's told us he was not contributing to the mortgage. The change would have made the mortgage more affordable for the other party – so it was less likely that they would fall into arrears. So it also would have been less likely that missed payments would be recorded on Mr S's credit file.

The potential negative for Mr S was that there was an early repayment charge (ERC) if the mortgage was repaid during the fixed rate period. That might never have applied. But I understand why Mr S thinks it wasn't appropriate for a product transfer when he was in the middle of divorce proceedings.

It is also reasonable for lenders to have a process in place to assist the borrower who is paying the mortgage where there is a dispute with the other party. There might sometimes be good reasons to approve changes with only one party's agreement.

Nevertheless, when Mr S told Halifax he did not agree to the transfer, Halifax reversed the change and the mortgage reverted to SVR. That was fair. Mr S considers Halifax did not do enough to contact him before the transfer. Halifax has provided evidence that it did attempt to contact him.

Looking at the evidence we have, on balance, I consider it more likely than not that Halifax's notes reflect the action it took. So there were several attempts to contact Mr S. I am less persuaded by Mr S's evidence of the phone calls he received at the time in question. It is not clear that the information is complete or shows all of the calls he received during the time in question.

In any case, I don't think that affects the outcome. Mr S accepts that there was at least one attempted phone call from Halifax before the transfer. I think that was probably sufficient in the circumstances, bearing in mind Halifax sent a copy of the offer to Mr S and it knew it would agree to reverse the change if he disagreed with it.

The transfer was applied for on 15 February. But it was not agreed straight away – the offer was dated 10 March 2023. Halifax's notes are from 22 February 2023. That was before the transfer was agreed. And it does not follow that the attempt to reach Mr S was on that date. In my experience, it is not unusual for a business to use "Mr" as shorthand. I'm satisfied it was referring to Mr S – he is the only Mr on the mortgage.

I know Mr S was very upset when he found out about the change. But looking at things overall, I don't think Halifax acted unfairly or unreasonably. It reversed the transfer when Mr S said he wasn't happy with it and he hasn't suffered any financial loss. I don't consider Halifax needs to do anything else.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 March 2024.

Ken Rose
Ombudsman