

The complaint

Mr H's complaint is about a re-mortgage he applied for with Northern Bank Limited trading as Danske Bank in 2022. He is unhappy with the timescale for Northern Bank responding to his questions about adding his spouse to the mortgage application, which meant the re-mortgage did not complete when the interest rate product on his existing mortgage ended. This resulted in Mr H paying a higher rate of interest on the existing mortgage for a short period. In settlement of the complaint Mr H would like Northern Bank to reimburse him the additional interest he paid during that period.

What happened

In the autumn of 2022 Mr H applied to re-mortgage his property to Northern Bank. He asked that a fixed interest rate product be attached to it. The application was accepted, and a mortgage offer was sent to him on 4 October 2022. The offer was valid until 4 April 2023, which meant the mortgage had to complete by that date.

A month after the mortgage offer was issued, Northern Bank chased Mr H, as he had not accepted it. In response Mr H asked some questions about when he needed to accept the offer by and how long it would take to process the mortgage once he had signed the forms. He mentioned that he wanted completion to occur by 28 January 2023, when the interest rate product on his existing mortgage ended.

Northern Bank responded the same day. It confirmed the offer was valid until 4 April 2023, but the link for him to sign electronically was only active for 45 days, but a new link could be provided if necessary. However, Northern Bank said that it needed Mr H to sign the offer as soon as possible as the solicitors had processes to complete, some of which might take some time, before completion could happen. Mr H responded to say he would sign the offer.

The offer was signed around a week later. Mr H contacted Northern Bank on 22 November 2022 to check it had been received. It was confirmed the same day that it had, and solicitors would be instructed to take the application forward.

On 9 December 2022 Mr H contacted Northern Bank again. He said he was about to send documents back to the solicitors, but he had a query. He asked if it would be acceptable to Northern Bank to add his spouse to the property title. He went on to say that ideally she would not be added to the mortgage, as he wanted to retain the existing terms and interest rate product that had been agreed. Mr H said it was 'okay' if this could not be done.

Northern Bank answered Mr H's question in an email of 12 December 2022. It told him what he wanted could not be done. If his spouse was added to the title, she also needed to be on the mortgage. As such, a new mortgage application would need to be made. The bank asked Mr H to confirm if he wanted to proceed with the existing offer or start a new application.

Mr H responded the same day and confirmed he would stick with the existing offer, as the rate change associated with a new application would be '*punitive*'. He also asked why his spouse needed to be on the mortgage if she was on the title deeds in light of Northern Bank

being satisfied he met all the financial requirements for the mortgage on his own. This question was answered the same day.

Mr H emailed Northern Bank again on 18 January 2023. He challenged its decision that a new application would be needed if he wanted to make the changes he did. Northern Bank tried to call him the same day to discuss his email, but Mr H did not pick-up. Mr H emailed asking for another call back, and this was acknowledged the same day. It was not until 24 January 2023 that further attempts were made to call Mr H, but again neither of the two calls made were answered. It was decided the matter should be dealt with by the branch Mr H had previously dealt with.

The interest rate product on Mr H's existing mortgage ended on 28 January 2023.

The last of the information Northern Bank's solicitors required for the mortgage to progress was received from Mr H on 7 March 2023. The mortgage completed two days later. Mr H complained about the delay in the mortgage completing and the additional interest cost this had meant he incurred.

Northern Bank issued a final response letter on 20 April 2023. The bank set out why the mortgage had not completed until it did. It was satisfied it had not caused delays. In addition, it said it had answered Mr H's question about adding his spouse to the title deeds on 12 December 2022 and he had confirmed at that point he didn't want to do that, given a new application would be needed.

There was further correspondence between Mr H and Northern Bank, but the bank did not change its decision. Mr H remained dissatisfied and asked this Service to consider his complaint.

One of our Investigators considered the complaint, but he didn't recommend it be upheld. He did not consider Northern Bank had made any errors or caused delays.

Mr H didn't accept the Investigator's conclusions. He said that Northern Bank had a regulatory obligation to answer his questions and so it was Northern Bank's fault he could not progress the mortgage. He also said he had called the bank 20 to 30 times and was told that the call handlers could not answer the question he had, but he was told the bank would usually require a fresh application. Mr H also said he had asked the solicitors to ask the same questions of the bank, but it had told him to deal with it directly. He considered the Investigator had an incomplete picture of the situation.

The Investigator considered what Mr H had said, but it didn't change his conclusions. He remained satisfied that Mr H had been given a clear answer to his question when it was initially asked. He was also satisfied that Mr H's response showed he had understood the answer at the time it was given.

Mr H reiterated some of his previous points. He also asked that the complaint be referred to the Investigator's manager for review. In light of this request, it was decided the complaint should be referred to an Ombudsman for consideration.

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.

Mr H's re-mortgage didn't complete until approximately five weeks after the interest rate product on his existing mortgage ended. At that point he has indicated he went on to a

follow-on interest rate, which was considerably higher. Mr H considers Northern Bank is at fault for this happening because it didn't respond to his challenges to its answer and policies.

Mr H's question was answered very clearly on 12 December 2022, two days after it was asked. I can't find this was an unreasonable timescale and I am satisfied Mr H understood the answer. He also confirmed at that time he did not want to pursue altering the property ownership. However, he didn't do what was needed to move the re-mortgage forward, which may well have allowed it to complete around the time the existing product ended.

Despite confirming to Northern Bank he wanted to continue with the mortgage offer he had in place, he contacted it again in January 2023. This contact was to challenge its policies in relation to property ownership and mortgagors – that a jointly owned property had to be jointly mortgaged – and altering an existing mortgage application. Mr H was entitled to ask questions and receive answers, but Northern Bank was under no obligation to step away from its policies simply because Mr H didn't like what they meant for him. As for Northern Bank giving him answers, it tried to call him in relation to his queries several times, but the calls were not answered. I can't find Northern Bank didn't try to answer his questions when they were asked, but circumstances prevented it happening sooner than it did.

Mr H has said that when he called in to discuss his requirements, he was told that the individuals could not answer his question, but the bank would not usually allow the type of situation he wanted. He has implied this cast doubt on the answer Northern Bank had given in December 2022, and he needed those dealing with his application to answer his subsequent challenge regarding the bank's policies. I am not persuaded this was the case. Mr H has indicated he was asking the question of members of staff who were not directly involved with his application and would not know any of the details of it. It does not seem reasonable that he would ignore the answer he received from those who were involved with his application on that basis.

Overall, I am not persuaded Northern Bank was responsible for any delay in the completion of Mr H's re-mortgage.

My final decision

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr H to accept or reject my decision before 5 March 2024.

Derry Baxter
Ombudsman