

The complaint

Miss J's complaint about Santander UK Plc (Santander) relates to the service she received from Santander when seeking to remove her former partner from their joint mortgage.

What happened

Miss J and her former partner had a mortgage with Santander, and she wished to have him removed and for her to take over sole responsibility. He agreed. She made her first enquiry in January 2023, but Santander initially said that the mortgage would be unaffordable. She said she tried to arrange for her sister to be 'on the mortgage' but the loan amount requested was too high. Miss J feels that Santander have repeatedly moved the 'goalposts' and that it is unfair that the mortgage she was requesting was deemed to be unaffordable, believing that the mortgage assessment process is flawed.

When speaking with Santander on the telephone at a later date, Miss J said she might get a friend to be her lodger, thus increasing her income. Santander initially said they may be able to take this income into account, but later when Miss J said the lodger was to be her sister, said in those circumstances it wouldn't be taken into account as it did not comply with Santander's internal policy.

Miss J had complained and Santander advised her wait before trying to get an unrelated lodger as the complaint outcome might be that their decision was overturned. It was also suggested that it might make a difference if the lodger had a tenancy agreement. Santander now accept this advice was incorrect.

Miss J said she followed that advice and as a result she was delayed by about a month in trying to get a new lodger by which time the market conditions had changed and she had missed potential opportunities.

Santander said that Miss J had always been told that their advice over the phone was always subject to making a full application. Further that had they been told initially that the lodger was going to be her sister, then they would have advised what their policy was. However, they did accept that Miss J had been given incorrect information when her complaint was logged, and in recognition of that poor service, paid Miss J £50.00 compensation.

Miss J was unhappy with Santander's final response and the offer of compensation which she found dismissive and not reflective of the time she had lost, and so approached this service to see if we could assist in resolving the dispute. Our investigator thought that there had been poor service by Santander and the amount of compensation offered was insufficient. They thought £150 would be a fair and reasonable resolution which Santander accepted, but Miss J did not.

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 know the parties have provided a lot more detail than set out in my summary, but I have focussed on what I see as the key issues, because it reflects the nature of our service. We are an informal dispute resolution service and an alternative to taking Court action. So, if I've not mentioned something then this isn't because I've ignored it, it's simply because I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I have considered the views of both Miss J and Santander and all the available evidence.

I do understand the frustration Miss J has experienced in trying to have her former partner removed from her mortgage. I also understand how unsettling this period has been for her as naturally the issue at stake is her home. My role however is to consider whether Santander have acted fairly.

The accepted facts are that in Miss J was given varying advice on the different approaches to achieving her aim. Some of those were simply wrong and Santander have accepted their error in this regard.

That said, in so far as the complaint concerns affordability, Santander have set lending criteria which they apply to all their customers. That requires that a full mortgage application is completed so that it might be properly assessed. Part of the assessment process is automated, and I note Miss J has referred to algorithms. I have no knowledge of what algorithms Santander use, if any, but if they are used it does not make their assessment process unfair. I have seen no evidence that Santander dealt with Miss J any differently than it would to any other customer and so I am satisfied that in so far Santander's assessment of affordability for Miss J is concerned they have acted fairly.

Turning to the advice given to Miss J about having a lodger, she initially told Santander it was to be a friend. It was only when circumstances changed and she decided her sister may lodge, did Santander tell her that in that situation the income could not be taken into account. So, I can't criticise Santander in this respect.

Where Santander did fall into error, was in advising Miss J that she should wait until the outcome of her complaint before getting a lodger and that having a tenancy agreement might make a difference. I think that stopped Miss J from looking for another lodger for about a month. Miss J has accepted that it is very difficult to prove whether she would or wouldn't have been able to get a lodger in that time but makes the valid point that there would have been more people looking for accommodation earlier, given her proximity to a University.

Of course, even if Miss J had managed to find a lodger there is no guarantee that her mortgage application would have been successful.

Putting things right

Santander has accepted that it didn't get things right and because of that it has agreed to compensate Miss J with another £100 making the total compensation to be paid £150.

Miss J doesn't agree with that view and believes more in compensation should be paid. She suggests it should be calculated by reference to the time she has spent and her professional hourly rate. I don't think that a simple multiplication of an hourly rate by the time spent is the

appropriate way of calculating compensation. That would in my view be an entirely flawed method when taken in the context of a complaint. It does not seem to me to be correct to use the rate a person commands at work, for an entirely different exercise of dealing with a complaint.

When I consider the issue of compensation, I start from the point that any award for the trouble and upset caused should be balanced against the ups and downs of everyday life which we all face when dealing with other people, businesses, and organisations, and recognising that at times this can be inconvenient.

It is also very important to remember that there is no set figure for compensatory awards, since the facts of each case are different. Ultimately it is an exercise of judgement, looking at all the circumstances and coming to a figure which feels fair, when set against the effect of any failures in service on the person bringing the complaint.

When we make awards of compensation we categorise them and examples of these can be found on our website. In this complaint I have found that for a period of a month, Miss J was effectively delayed in being able to secure a lodger. There is however no direct evidence that she would have been able to secure a lodger at all but even if she had, there is no guarantee her mortgage application would have been approved in any event. So, having weighed up all the information provided, I agree that Santander's offer of £50 was too low. I agree with our investigator that it should pay Miss J a further £100 as recompense for the distress and inconvenience caused, making the total compensation £150.

My final decision

My final decision is that Santander UK Plc should pay Miss J a further £100 over and above the £50 already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 24 May 2024.

Jonathan Willis
Ombudsman