

The complaint

Miss B says Santander UK Plc treated her unfairly when it took possession of her property. She's since repaid the mortgage. Miss B says she's out of pocket, having had to pay for accommodation for a month, and her health and ability to work was affected. She asks that Santander removes its charge from her property title and restores her credit rating to good/excellent.

What happened

Miss B took out a mortgage jointly with her (now ex) partner. The mortgage fell into arrears in mid-2020, and the arrears increased over time. A court issued a possession order in mid-2022 and Santander took possession in September 2022.

Miss B says she's not to blame for the arrears, which she says resulted from her ex-partner and a charity that was assisting her failing to make payments.

Miss B says before being evicted she offered to make a lump sum payment towards the arrears and had received an offer for the property. Despite this, she was evicted. Miss B says she had to pay for accommodation and take time off work due to the effect on her mental health. She says Santander's actions affected her credit rating.

A family member repaid the mortgage on Miss B's behalf on 18 October 2022. Miss B says the payment was made at 9.15am and she had to wait until after 4pm for the keys to be returned to her. And the family member was asked questions to check he wasn't being forced to make the payment while he was standing at the branch counter.

Our investigator said it wasn't unfair for Santander to take possession given the level of arrears on the account, and the lack of contact or payments from Miss B. And he said it was correct for Santander to record the conduct of the mortgage account on Miss B's credit report. Our investigator said it was reasonable for Santander to wait for the redemption payment to clear before returning the keys to the property. Santander paid £150 by way of an apology and our investigator said this was fair.

Miss B didn't agree. She said that Santander had still not removed its charge from her property title. Santander looked into this and agreed. It removed its charge and agreed to pay further compensation of £200 – which Miss B agreed with.

Miss B said she remained unhappy about the eviction, which she says could have been avoided if she'd been able to speak to someone at Santander. And Miss B is also unhappy about the time it took to get back into the property, and the cost of providing housing in the meantime. She said this came about because the charity that was assisting her failed to pass on her payments.

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.

Taking possession of the security property

Miss B's mortgage was in arrears, and the arrears were increasing. Only part of the contractual monthly payments were made into the mortgage account in 2021 and early 2022 and no monthly payments after May 2022. There was no arrangement in place to repay the arrears. There was no meaningful contact between Miss B and Santander about how the arrears would be addressed.

Miss B says she'd given authority to a charity to assist her, and she didn't know that it didn't forward her payments or keep Santander informed. The complaint Miss B brought to us is about Santander: Santander wasn't responsible for the third party appointed by Miss B.

A court issued a possession order and an eviction date was set for 27 September 2022.

Santander took possession on 27 September 2022, at which point the arrears were over £16,500. The bailiffs had already arrived when Miss B spoke to the solicitors and said she could offer to pay £10,000, which she'd borrowed from friends. She said she'd received an offer for the property. The solicitor said the eviction time had passed and it couldn't now raise her proposal with Santander in time to stop the eviction.

Miss B says she'd tried to contact Santander and the solicitors before this. Santander says Miss B tried to contact it and/or the solicitors the previous day (26 September 2022). It says it's unlikely it would have changed the outcome if she had made contact. Miss B had no proposal at that time to address the remaining arrears or as to how she'd maintain monthly payments.

In the circumstances, I don't think it was unfair for Santander to take action for possession or to continue with the eviction on 27 September 2022.

Repayment of the mortgage and return of the keys

In early October 2022 Miss B contacted Santander to say she could repay the mortgage. It asked for proof of funds. While I appreciate Miss B's frustration (especially as the relative providing the funds had accounts with Santander), I don't think it was unfair for Santander to ask her for information about where the funds would come from to repay the mortgage.

Miss B asked for a redemption statement on 13 October 2022. Miss B was concerned about delays due to a postal strike and that the redemption statement would be sent to the security property – which was presumably the address Santander had for Miss B. Santander sent the redemption statement to Miss B by email on 17 October 2022 and the mortgage was redeemed the next day. I'm sorry Miss B found the redemption statement difficult to read, but pleased to hear this didn't stop the mortgage being repaid.

The payment to repay the mortgage was made on 18 October 2022. Miss B made the payment in the morning and the keys to the property were returned to her late that afternoon. I think it's reasonable and fair for Santander to wait for the payment to arrive in the mortgage account before returning the keys to Miss B.

Santander offered £150 for the inconvenience, and I think this was fair.

Miss B says the family member that repaid the mortgage had to go to a branch to make the payment and this was done over the counter, rather than privately. This complaint relates to Miss B's mortgage, and Miss B is the complainant here. Under our rules we can't usually

consider any inconvenience or upset caused to a third party. If Miss B's relative is upset about how Santander dealt with the payment they'd need to contact Santander themselves.

Credit report

Santander has to report accurate and up to date information to the credit rating agencies. Miss B hasn't said what information Santander recorded that she considers to be incorrect. However, Miss B's mortgage was in arrears and if Santander recorded this on her credit file I don't think that was wrong or unfair. If Santander recorded a default on Miss B's credit file when it took possession, I wouldn't consider that unfair or incorrect.

I'd expect Santander to record the account as settled once the mortgage was repaid. But, to avoid any confusion, this doesn't mean I'd expect it to remove the information previously recorded about the conduct of the account.

Removing the charge

In her original complaint, Miss B said she'd asked for her deeds to be sent to her. While the complaint was with us, Miss B said she'd asked Santander to remove its charge from the property title and it had failed to do so.

We asked Santander about this. Santander said it didn't have a record of Miss B raising a complaint about the charge. It agreed that this could be dealt with it as part of this complaint.

Santander said it hadn't removed its charge until late October 2023 and couldn't explain why it hadn't been done sooner.

Santander sent evidence that its charge has now been removed from the property title at the Land Registry. There's no suggestion this has caused Miss B financial loss – she hasn't said for instance that she's been trying to re-mortgage the property. But I think it did cause Miss B unnecessary inconvenience and worry. For this, I think Santander should pay another £200.

My final decision

My decision is that I uphold this complaint. I order Santander UK Plc to pay £200 to Miss B (this is in addition to the £150 compensation it has already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 20 December 2023.

Ruth Stevenson
Ombudsman