

The complaint

Miss W complains about the customer service she's received from Santander UK Plc in relation to her mortgage. She's unhappy they're asking her to use a solicitor's firm on their panel to complete a deed of variation in relation to the mortgaged property, and they won't share the list of acceptable firms with her. As a result, she feels trapped in her mortgage.

What happened

Miss W has a mortgage with Santander. The term of her interest rate product ended in February 2024. In August 2023, a solicitor's firm contacted Santander on behalf of Miss W and asked them to sign a deed of variation in relation to the lease on the mortgaged property. Santander replied at the time and said that whilst they agreed to the proposed variation subject to conditions, Miss W would need to instruct a firm of solicitors who were on their approved panel to in act in their interests. They said the firm already instructed could continue to act for Miss W, but she would be responsible for both solicitors' costs.

Miss W complained. She was unhappy that Santander wanted her to instruct a different solicitor to carry out the legal work when she'd already incurred costs. She was also unhappy Santander wouldn't provide her with a list of acceptable firms on their panel. Santander responded to the complaint and explained that any solicitor Miss W used would need to be on their panel. They said they were unable to share a list of the relevant firms, nor could they provide any recommendations about who to use, but any solicitor Miss W spoke to would be able to confirm that information, or if Miss W wanted to check a firm was acceptable with Santander, she could call and ask.

After further correspondence between Miss W and Santander about this issue, Miss W contacted our service and asked us to look into things.

Our Investigator considered what both parties had said, and explained he didn't think Santander had treated Miss W unfairly. Miss W asked for her complaint to be referred to an Ombudsman, so the complaint's been passed to me.

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.

It's common practice for a mortgage lender to require any legal work needed on their behalf to be carried out by a firm they have approved as acceptable on their panel. They need to be able to trust the firm acting for them to protect their interests. So it's reasonable they get to choose who acts for them. In Miss W's case, the legal work was something she had requested, it wasn't initiated by Santander. But Santander still needed to sign the deed of variation, and that requires legal input.

Santander did not say Miss W couldn't use the solicitor's firm she'd already instructed to complete the legal work, but if she wanted to use them, Santander would also need to instruct their own solicitors. And Miss W would be liable for the costs incurred. As this was

legal work Santander were going to have to pay for at Miss W's request, I think it's reasonable for them to pass those costs on to Miss W, which they're permitted to do under the terms and conditions of Miss W's mortgage. They told Miss W how she could avoid having to pay for two different solicitor's costs, by instructing a different firm that would be acceptable to Santander. So I'm satisfied she had the information she needed to make an informed decision about how to proceed.

Miss W is unhappy that Santander would not provide a list of acceptable firms she could use. She says she doesn't have time to ring a number of firms to find one that Santander might accept. Santander's policy is that they do not share details of the solicitors' firms on their panel. That's for a number of reasons, including the potential for them to be seen as recommending certain firms. Santander apply their policy to all requests made by borrowers. I don't think the fact they wouldn't share this information with Miss W is unreasonable. They told her how to find the information herself, and I don't consider that to be onerous.

I appreciate Miss W felt trapped in her situation. She had already instructed solicitors to carry out the work, only to find that in order to avoid incurring additional costs she'd need to find a different firm. But that's not the fault of Santander, as they weren't told about Miss W's plans before she instructed the firm that she did. Miss W needed the deed of variation to be completed in time for her to re-mortgage in February 2024 at the end of her mortgage product. Santander gave her the information she needed to resolve matters in August 2023. So if the re-mortgage did not complete in time, I'm not persuaded that's a result of anything Santander did wrong.

My final decision

Considering everything, for the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 25 June 2024.

Kathryn Billings
Ombudsman