

The complaint

Miss S and Mr H complain that TSB Bank plc refused to transfer their joint mortgage into Miss S's sole name. Miss S has dealt with the complaint.

What happened

Mr H and Miss S have a mortgage with TSB. They separated and in 2023 Miss S asked TSB to transfer the mortgage into her sole name. TSB declined, saying Miss S didn't meet affordability criteria.

Miss S said TSB hadn't understood how important this is for her and Mr H. She said Mr H wants to be released from the mortgage so that he can buy his own home. Miss S said if TSB didn't agree to transfer the mortgage into her name, she'd have to sell the home that she lives in with her children. She said given the increase in mortgage interest rates, she'd be unlikely to get another mortgage and would be forced to rent or move out of the area.

Our investigator said TSB had to consider affordability before agreeing to transfer the mortgage into Miss S's sole name. It didn't have to share its lending criteria with her.

Miss S didn't agree. She said she'd paid the mortgage herself for four years. She said this would leave her having to sell the family home after living there for 17 years.

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.

Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Like all mortgage lenders, TSB is required to carry out strict affordability checks before agreeing to offer or vary a mortgage. Miss S and Mr H want to vary their mortgage by transferring it into Miss S's sole name.

TSB asked Miss S for information about her income and expenditure and carried out affordability assessments. Miss S didn't meet affordability criteria for the mortgage to be transferred into her sole name.

When she brought the complaint to us, Miss S said she'd taken independent mortgage advice and was told she passed the affordability test for a loan of about £155,000 (equivalent to the mortgage balance). She says she can't understand why TSB didn't assess this as affordable for her. But Miss S also said re-mortgaging elsewhere isn't an option as she wouldn't be able to afford the payments at current mortgage interest rates and would still end up homeless.

Miss S and Mr H took out a fixed interest rate mortgage product in 2020 which expires in May 2025. At that point, their mortgage will be on the variable rate unless they take out a

new product at the rates then available. After May 2025, their mortgage interest rate and monthly payments could be significantly higher than at present. Miss S says she'd struggle with monthly payments at current mortgage interest rates. If TSB agreed to transfer the mortgage into Miss S's sole name, that's the situation she could find herself in – struggling with the monthly payments – in mid-2025.

I can understand how disappointed Miss S and Mr H were that TSB didn't agree to transfer the mortgage into Miss S's sole name. I appreciate that they might now need to make difficult decisions about their next steps. But I don't think TSB made an error or treated them unfairly. I don't think it's fair and reasonable to require TSB to transfer the mortgage into Miss S's sole name when it has assessed this as unaffordable.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Miss S to accept or reject my decision before 11 June 2024.

Ruth Stevenson
Ombudsman