

The complaint

Mrs D complains about the poor service she received from Santander UK Plc in connection with her mortgage.

What happened

Mrs D held a mortgage with Santander in joint names with her ex-husband. Mrs D wanted to re-mortgage to another lender. The new mortgage was to be in her sole name. I understand that Santander was aware that Mrs D was maintaining the mortgage payments on her own and had remained in the property.

The mortgage term ended in late 2022. The monthly mortgage statements sent to Mrs D from late 2022 onwards refer to the mortgage term as having 'expired'. However, as a financial order with her ex-husband hadn't been finalised Mrs D wasn't in a position to redeem the mortgage. I can see that Mrs D spoke to Santander regularly about the situation and continued to make payments towards the mortgage.

Mrs D has explained that in late 2023, she reached a financial agreement with her ex-husband. As soon as it was in place, Mrs D promptly took steps to arrange a mortgage with a new lender.

Mrs D says she then received letters from Santander saying that it had tried getting in touch with her but hadn't been able to do so. Mrs D says she didn't have any missed calls and later found out that Santander had incorrectly contacted her ex-husband, not her.

In October 2023, Mrs D received a letter from Santander. The letter said that the remaining mortgage term was five months. This notification was sent to Mrs D when the mortgage account was migrated to Santander's mortgage system, and a new mortgage account number was allocated. The letter set out that the mortgage was due to be repaid by the end of February 2024. Santander also issued a monthly statement in October 2023, setting out that the mortgage term was due to end in February 2024.

Mrs D then received a letter from a third party acting for Santander saying it had been instructed to recover the outstanding mortgage balance for Santander. Mrs D has explained that she found this letter very worrying, particularly as she had kept Santander informed about the re-mortgage and had been making regular mortgage payments. A field agent also called at Mrs D's home to discuss the situation. Mrs D says she explained to the agent that she was in the process of re-mortgaging and the process was nearly complete.

Mrs D provided Santander with evidence to show that she had a mortgage offer in place with another lender and she explained that she had received written confirmation that her mortgage term was now due to end at the end of February 2024. Mrs D redeemed the mortgage with Santander on 21 February 2024.

Mrs D complained to Santander about the very poor service it had provided.

Santander apologised for the poor service Mrs D had received. It said the problems had

arisen due to a 'mistake' on its part. It noted that Mrs D had provided it with evidence to show that the end date of her mortgage was 25 February 2024. It apologised for the conflicting information Mrs D had received.

It confirmed that it had brought the account back from its litigation solicitors and it said any fees incurred would be covered by Santander. It also paid Mrs D £150 for the trouble and upset this matter had caused her.

Mrs D was not satisfied with Santander's response and said she felt it should not have contacted her ex-husband about the mortgage. Santander paid Mrs D a further £75 to compensate her for its poor service.

Mrs D was not satisfied with Santander's response and referred her complaint to this service. She said she had been experiencing difficult personal circumstances when the problems arose with Santander. She explained the problems with the mortgage had added to the stress she was experiencing, and this had caused her health problems.

Having carefully considered Mrs D's complaint our investigator said she didn't think the £225 Santander had paid Mrs D to compensate her for the problems she had experienced fully reflected the extent of the distress and inconvenience caused. Taking into account the breakdowns in communication, mismanagement of the mortgage account, and the emotional toll Mrs D experienced during an already challenging period in her life, she said she thought Santander should increase the compensation to a total of £350 (including the £225 it had already paid).

Santander accepted the investigator's view. Mrs D did not accept the view. She said, in summary, that she had been dealing with difficult personal circumstances and these had been made worse when Santander had incorrectly contacted her ex-husband about the mortgage, despite being aware that Mrs D was living in the property and maintaining the monthly mortgage payments.

She said she also felt it had acted unreasonably when it had not accepted her word that it had confirmed, in writing, that the mortgage end date had been changed to February 2024. And she said she felt that Santander *'...did not do their due diligence before beginning legal action as they should have been able to see that I had been given until 25th February to get a new mortgage sorted'*. Mrs D said *'...legal action was only halted when I provided proof of this...'*

Mrs D also reiterated that the stress this matter had caused her had exacerbated health problems she suffers with. In view of this Mrs D said she felt the £350 our investigator had recommended was an insult.

I issued my provisional decision on Mrs D's complaint on 26 July 2024. In it I set out that I had reached a different view to that of our investigator.

I said it was not in dispute that the service Santander provided to Mrs D was very unsatisfactory. What was in dispute was whether the £350 compensation recommended by our investigator was fair in the circumstances of this complaint. I said I didn't think the award recommended by our investigator fully took account of the worry and upset the very poor service caused Mrs D. I explained my position as follows.

I said that at the time the problems arose, Santander knew that Mrs D was going through a divorce and was making the monthly mortgage payments. From the records available, I said I could see that Mrs D was in regular contact with Santander. I said it was unclear why Santander had chosen to contact Mrs D's ex-husband about the mortgage in late 2023, it

appeared this may have been due to an oversight on Santander's part. I said the records showed that Santander knew that, as soon as a financial settlement was agreed with her ex-husband, Mrs D intended to re-mortgage with another lender.

I said I appreciated that it must have been very worrying for Mrs D to receive letters from Santander saying it hadn't been able to get in contact with her, and to then receive a letter and a visit from a third party acting for Santander saying it had been instructed to recover the outstanding mortgage balance.

Given the information Santander held about Mrs D's personal circumstances and that she had been in regular contact with Santander to keep it updated about her situation, I said I thought it ought reasonably to have done more to contact Mrs D (and not her ex-husband) before it instructed pre litigation action. Likewise, I said it was not clear to me why Santander's collections team did not check the mortgage term, before instructing pre-litigation action.

Had Santander either made more effort to contact Mrs D to request an update on the re-mortgage Mrs D was arranging, or checked the mortgage term, I said I didn't think it would have instructed pre litigation action. Mrs D would therefore not have experienced the worry and stress this matter has caused her.

I said I was mindful of the information Mrs D had provided to this service about the difficult personal issues she was facing around this time and the impact the stress of these issues, combined with the additional stress of dealing with the problems caused by Santander's very poor service, had on her health. However, it was not clear from the records available that Santander was aware of the difficult personal issues Mrs D was dealing with. As this was the case, I said I couldn't reasonably say that Santander should have taken these issues into account. That said, I noted it was not in dispute that the service Santander provided was very poor and that it had caused Mrs D avoidable worry and stress.

Having very carefully considered this matter I said I thought Santander should pay Mrs D a total of £500 to compensate her for its very poor service. I said this award reflected the considerable worry Santander's poor service and actions had caused Mrs D.

Santander responded to say it accepted my provisional decision. It confirmed it had already paid Mrs D a total of £225 in connection with this complaint and was willing to pay an additional £275 to resolve this matter.

Mrs D also responded to my provisional decision. She reiterated that she was unhappy with the tone and manner of the complaints handler she had spoken to.

She also said she was happy with my provisional decision, but didn't feel the payment of £75 Santander had made in late February 2024 should be taken into account as part of the redress due in connection with this complaint. Mrs D said:

Please note that the 2nd payment from Santander for £75 was because I got a further letter dated 20th February from Santander regarding the mortgage, which had the file notes been checked should not have been issued as by the time I received this letter the mortgage was redeemed and with a new provider. When I called up it was not to get additional compensation and I told the agent that. It was to ensure that no further letters were issued.

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.

Having done so, I do not intend to depart from my provisional decision. I'll explain why.

I appreciate the concerns Mrs D has raised about the complaints handler she spoke to at Santander. As I set out in my provisional decision, I think the service she received from Santander was very poor. Mrs D was in regular contact with Santander and kept it informed about her personal circumstances. I don't think Mrs D could reasonably have done more to ensure it remained informed. But the role of this service is to resolve individual complaints. I can't order Santander to carry out staff training. If Mrs D remains concerned about this issue, she may wish to contact the industry regulator the Financial Conduct Authority (FCA) with her concerns.

I also note Mrs D has said she feels the £75 Santander paid her in late February 2024 should not be included in the £500 I said I thought it should pay to compensate her for the trouble and upset this matter has caused her. I appreciate Mrs D feels that payment should be in addition to the redress I recommended. However, I must take into account that in the complaint Mrs D referred to this service she said:

I rang up complaints and advised them that although previous complaint was resolved, a call shouldn't have been made to my ex-husband it should have been me and the agent then agreed with me after reading the notes and processed a further payment of £75 .

In view of this I remain satisfied that the £75 Santander paid to Mrs D in late February 2024 was in connection with the poor service it had provided. I can't reasonably agree that this payment was not made in connection with the issues Mrs D raised in the complaint she referred to this service.

My final decision

My decision is that, for the reasons I have set out above, I think Mrs D's complaint should be upheld. To put matters right Santander UK Plc should pay Mrs D a total of £500 (including the £225 it has already paid) for the distress and inconvenience this matter has caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 6 September 2024.

Suzannah Stuart
Ombudsman