

The complaint

Miss W is unhappy that Bank of Scotland plc trading as Halifax have allowed her ex-partner to arrange a temporary interest only concession for six months under the mortgage charter.

Miss W has said there is a marital dispute marker on the mortgage account so Halifax should have obtained her consent before allowing this change to happen. She would like Halifax to cancel the concession but allow her to retain the right to access it in the future should she need it.

What happened

Miss W holds a mortgage with Halifax which is in joint names with her ex-partner. It seems that Miss W currently lives in the property and the other party has moved out and both parties are making payments to the mortgage.

Miss W said she received a letter from Halifax dated 2 February 2024 letting her know that the mortgage was switching to interest only for six months and this arrangement would start from 1 March 2024.

Miss W called Halifax on 12 February 2024 and raised a complaint, explaining that she hadn't asked for this to happen and as there was a dispute marker placed on the mortgage, she didn't understand why Halifax allowed this to happen without her consent.

Halifax said that the arrangement hadn't yet started, so Miss W could cancel this arrangement but as advice hadn't been given, she would need to do this online and say that both parties were happy with it. Miss W didn't want to do this because she didn't want to say that both parties had agreed to it – when they didn't.

Halifax said they didn't do anything wrong and as the request was made online, they didn't provide advice. They said that the party that requested it would have had to tick a box online to say that both parties agreed to it. Halifax also said that they gave Miss W the option to cancel it online if she wanted to do so. They did also make it clear though that if Miss W did cancel it, she would no longer be able to ask for it again in the future as it's a one-off offer during the term of the mortgage.

Miss W brought her complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. The investigator didn't uphold the complaint as he didn't believe that Halifax had done anything wrong. He said that they gave Miss W the option to cancel it before it came into force – which she didn't do.

Miss W wasn't happy about this. In summary, she made the following comments:

- Halifax never offered to cancel the concession; they said that Miss W had to do it online. She was also told that if she cancelled it, it wouldn't be available for her again. Miss W didn't feel she should have to cancel it as it should never have been allowed in the first place.
- She does not accept that Halifax acted on these instructions in good faith. She has been abused and harassed by her ex-partner which is why a dispute marker had been placed on the mortgage account. She said that everything should be agreed by all parties before taking action.
- If the concession had been cancelled, Miss W would lose any future use of it. Miss W

said she could only cancel it online stating that both parties were happy for it to be cancelled which wasn't the case – so she would be 'committing fraud' as had been done by her ex-partner when it got placed on the mortgage in the first place.

As Miss W disagreed with the investigator, she asked for the complaint to be reviewed by an Ombudsman, so it's been passed to me to decide.

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've been sorry to hear about the situation that Miss W has been in. I understand it's been a difficult time for her. Based on previous history between Miss W and her ex-partner, it appears that a dispute marker had been placed on the mortgage account which doesn't appear to be in dispute. But Miss W has said that there shouldn't be any changes made to the mortgage without either parties' consent.

Miss W found out that Halifax had applied a six-month temporary interest only concession on the mortgage after receiving a letter from them – letting her know that it would be taking effect from 1 March 2024. Miss W is very unhappy that Halifax have allowed this change to happen as they didn't obtain her consent.

Halifax have said that Mrs W's ex-partner applied for this online and a box would have been ticked to confirm that both borrowers were happy with the mortgage to switch to interest only for six months under the mortgage charter.

The mortgage charter provides various provisions which will help consumers who are worried about how they're going to pay their mortgage both at present and in the future. One of the options of the mortgage charter is to allow a consumer to switch their mortgage to interest only for six months. A consumer is only allowed to make one six-month switch to interest only to their mortgage under the charter.

Miss W has given us some personal information about the situation with her ex-partner and strongly believes that this arrangement should not have been allowed to happen without her consent. I do accept the arguments that Miss W makes here, especially as there was a dispute marker on the mortgage account.

But while I'm sorry to disappoint Miss W, Halifax have acted in line with the mortgage charter, by providing a light touch option for borrowers to take up a short-term forbearance option on their mortgage, at a time when so many people are experiencing financial stress. I am however mindful of how Miss W has said this has affected her.

We expect lenders to offer forbearance options for consumers who are in financial difficulty, and the mortgage charter allows a switch to interest only on a short-term basis.

Miss W argues that Halifax should never have allowed this to happen without her consent. But as Halifax have explained to Miss W, this application was made online by the other party. I do understand that Miss W is unhappy because the joint party would have ticked a box to say that Miss W was also happy with it – but Halifax took that in good faith that she was.

A dispute marker doesn't necessarily mean that either party can't engage with the lender about their mortgage, nor would it mean that a temporary change to the mortgage wouldn't be allowed – especially when it comes to the mortgage charter because this was a government incentive to help borrowers who are struggling financially. We would however expect a lender to act on the fact that there was a dispute marker in place if the change to the mortgage was a permanent one. But in this case, it wasn't.

Halifax did give Miss W the option to cancel the arrangement when she spoke to them on 12 February 2024 – which was before it actually took effect on 1 March 2024. But Miss W

didn't want to do this online, and she definitely didn't want to tick a box to say that both parties agreed, because they didn't. And I do completely understand that. I know she just wanted Halifax to stop the arrangement but from Halifax's point of view, they followed their own process and helped someone who said they were in financial difficulty. And in these circumstances that would have been the right thing to do. Halifax have a duty of care to both parties and Miss W and her ex-partner are jointly and severally liable for this mortgage.

If Miss W wasn't happy with this, she could have made up the difference in those mortgage payments if she didn't want the payments impacted at all. But from what I can see, the arrangement continued.

I know that Miss W didn't want the mortgage to change to interest only for six months, and she feels like this option has been taken away from her because she wanted it cancelled and to be able to have it available to her at another time when she may need it. But one of the borrowers said they wanted this option – and we can't change that.

I don't think it would be fair to say that Halifax should just have cancelled the arrangement when it was clear to them that one of the parties said they needed it. I do see it from Miss W's point of view, but I can't agree that Halifax have acted unreasonably.

My final decision

For the reasons given above, 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 12 December 2024.

Maria Drury
Ombudsman