

## The complaint

Ms D and Mr F complain that Santander UK Plc advised them in March 2022 that they could move all of their separate mortgage products onto one fixed rate deal. But they said when they tried to remortgage elsewhere, they couldn't change all the products at once.

## What happened

Whilst this complaint is brought by both Mr F and Ms D, as the mortgage is in both their names, our dealings have been with Ms D, and the key call in this case was between Santander and Ms D. So I'll mainly refer to her in this decision.

Ms D told us she took this mortgage out some years ago, then ported it to another property and added Mr F, then took further borrowing on the mortgage. She said she'd ended up with five separate mortgage products. She contacted Santander in March 2022 as some of the fixed terms were coming to an end. Ms D wanted to make sure all the parts of her mortgage were on products with the same end date.

Ms D said Santander told her in 2022 that in 2024 she would be able to get one rate for the whole mortgage. Although some parts of the mortgage would be due for renewal in May 2024, and other parts wouldn't be due for renewal until June 2024, Santander said she would be able to combine them all in February 2024. Ms D said the advisor never mentioned that this could only happen if Ms D and Mr F kept their mortgage with Santander.

Ms D said they'd decided to move to a different provider, and were set to do this on 2 May 2024, but then they were told if they moved the mortgage before 2 June 2024, they would have to pay an Early Repayment Charge ("ERC") on some parts of the mortgage. Ms D said they had no option but to let the products expiring on 2 May 2024 go onto the much higher follow-on interest rate for a month, to avoid the ERC on the products which didn't expire until 2 June. Ms D said that would cost a lot of money, and she thought she'd been wrongly advised by Santander. So she thought Santander should cover this extra cost.

Santander said it had listened to the call Ms D had with its agent in March 2022, and it had only ever told Ms D what it could do, to move her onto one rate which would cover all the parts of her mortgage. It hadn't offered any advice about what would happen if she moved the mortgage away from Santander. But Santander said the information Ms D needed if she was moving her mortgage, would have been clear from the offer it sent, and the mortgage statements it had issued since. So it didn't think it had done anything wrong.

Our investigator didn't think this complaint should be upheld. He said he'd listened to the advice that Ms D was given in March 2022, and Santander had then recommended a two year fixed rate, without a fee, which expired in June 2024. The other three parts to the mortgage expired in May 2024. So Ms D was told that she would be able to consolidate the different parts of her mortgage, if she contacted Santander in January or February 2024, when she could arrange one new fixed interest rate for all products.

Our investigator said Santander had acknowledged it didn't advise Ms D on what would happen if she wanted to move her mortgage elsewhere, but it said its documentation was

clear. Our investigator said he'd checked Santander's documentation, and it was clear about when an ERC applies. There was an ERC on sub-accounts 1 to 3 if they were redeemed before 2 May 2024, and on sub-accounts 4 and 5 if redeemed before 2 June 2024. Our investigator thought Santander's offer was clear.

Our investigator noted that Ms D couldn't have aligned her sub-accounts to the same end date in March 2022, as three of them still had two more years to run on their fixed rate. In 2024 she was able to take advantage of a concession Santander offers, where it allows customers to arrange a new fixed interest rate up to six months in advance, without paying an ERC. But that does only apply if she stays with Santander.

Our investigator said Santander's recommendation was suitable in the circumstances. It wasn't unsuitable just because Santander didn't also mention that Ms D couldn't move her mortgage elsewhere until June 2024. And he thought even if Santander had provided additional advice about moving her mortgage elsewhere, Ms D would still have taken the offer Santander made, because that came closest to aligning her mortgage products without incurring an ERC or making payments on the follow-on interest rate for a prolonged period.

Ms D didn't agree. She said our service should be looking right back to when she took out the products in question. She said she'd first taken out a mortgage in 2015, but then in 2018 she'd bought a different property, and had moved her mortgage to that property as well as adding Mr F to the mortgage. Then in 2020 she took out further borrowing. Ms D said the implications of all this weren't explained to her at the time. She thought Santander should have told her what the implications of this would be for her mortgage when the changes were made. She felt she should have had this advice, before taking out further debt.

Ms D said she talked to Santander in March 2022, and was told she could consolidate all the products in early 2024, but wasn't told she could only do this if she stayed with Santander.

Because no agreement was reached, this case was then passed to me for a final decision.

### **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 reached the same overall conclusion on this complaint as our investigator.

I should start by saying that this decision only considers the issues I think Santander had understood to be Ms D's complaint, and which our investigator considered – the advice that Ms D was given on a call on 7 March 2022 about consolidating the existing separate parts of her mortgage, so that they all had the same end date for any fixed rate applied to them.

Ms D has since made clear that she thinks this problem was something Santander should have warned her about when she made the changes to her mortgage that resulted in these extra products, with different fixed interest rate terms. I don't think I'm able to consider that point for Ms D here, because I can't see that Santander has already had an opportunity to consider it (and our rules require that Santander has a chance to put things right, before we step in). So I make no comment on that here. But that doesn't mean our service will take no action over this further concern. We will write to Ms D separately to take this issue forward for her.

The position in March 2022 was that Ms D had five separate parts to her Santander mortgage, and three of those parts were on a fixed rate due to end on 2 May 2024, which Ms D had recently arranged herself online. Two parts were coming up for renewal in July 2022.

Ms D said she was unhappy that she kept having to pay separate product fees, when each of the two separate product end dates happened.

Santander's advice was that as the two parts of Ms D's mortgage which were due for renewal were the smaller parts of her mortgage, it wouldn't be cost effective to choose a mortgage deal that included a fee for those, at this point. And it said if she chose a two year fixed rate, that would mean her two separate fixed rates would end in May and June 2024. Santander said if she rang in early 2022, January or February, she could then move them all onto the same fixed rate.

I don't think Santander ever suggested, on this call, that Ms D could move her mortgage elsewhere in early 2024, before the fixed rate end dates were up. I can't hear that Ms D asked about when she could move her mortgage to a different provider, and I don't think Santander had to proactively raise that with Ms D, without Ms D asking.

Like our investigator, I think that the offer Ms D was issued with on 7 March, was clear about what Santander was offering. Three parts of the mortgage were fixed until 2 May 2024, and two parts fixed until 2 June 2024. Section 7 of the offer sets out when the ERCs will apply, and how much those would cost, for each part. So I don't think Santander has misadvised Ms D about how her mortgage would work.

I note Ms D didn't attempt to move her mortgage elsewhere in January or February 2024, the time that Santander had said she could refix with it. Instead, she arranged a remortgage elsewhere, which she wanted to start in May 2024. Ms D was told that would mean paying an ERC on the two parts, and decided to delay her remortgage until June 2024, to avoid that cost.

Ms D has told us she chose to move to a different provider so she could change this mortgage to interest only, as Santander wouldn't offer that. So it appears that Ms D's reasons for remortgaging aren't directly related to the advice given in March 2022.

I know that in order to move elsewhere, Ms D had first to pay the follow-on rate for three parts of her mortgage, where the fixed rate ended on 2 May 2024. But I don't think that's a result of the advice that Santander gave her on 7 March 2022.

I know that Ms D will be disappointed, but I don't think this complaint should be upheld.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D and Mr F to accept or reject my decision before 18 November 2024.

Esther Absalom-Gough

**Ombudsman**