

## **The complaint**

Mrs B complains that Coventry Building Society unfairly declined to transfer her joint mortgage into her sole name.

## **What happened**

Mrs B took out a mortgage in joint names in 2013 with her (now ex) husband. They separated and Mrs B stayed in the property. In 2022 she contacted Coventry about having the mortgage transferred into her sole name.

Coventry said the mortgage wasn't affordable for Mrs B. She disputes this, saying payments have been met every month without fail. Mrs B says she was misled about the criteria and process. She says Coventry declined her request after giving her false hope. She says it made unprofessional remarks – such as suggesting she got a cheaper property. Mrs B says throughout this period the mortgage was on the standard variable rate (SVR).

Our investigator said Coventry was required to carry out affordability tests. He said it wasn't unfair to decline to move the mortgage into Mrs B's sole name when it had assessed this as unaffordable. Our investigator said the £100 offered by Coventry for poor service was fair and reasonable in the circumstances.

Mrs B didn't agree. She said she'd been making payments herself for years. And the amount of equity in the property meant it was low risk.

Mrs B said the second part of her complaint hadn't been considered. She said Coventry had been overcharging her. She said she'd stayed on the SVR as she was told that showing she could make the higher payments would go in her favour.

## **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.

Coventry offered the mortgage on a joint basis to Mrs B and her ex-husband in 2013. While the account is in joint names both account holders are jointly and severally liable for the debt. That means, if Mrs B didn't make payments, Coventry can ask her ex-husband to pay the debt.

Mrs B says transferring the mortgage into her sole name is low risk – no payments have been missed and there's equity in the property. However, Coventry had to consider more than this when making a decision. Rules on mortgage regulation require Coventry (like all lenders) to carry out strict affordability checks before offering or agreeing to vary a mortgage. Mrs B wants to vary her mortgage by transferring it into her sole name. So Coventry had to carry out affordability checks before agreeing to transfer the mortgage into Mrs B's sole name.

Coventry assessed Mrs B's application to transfer the mortgage into her sole name in 2022.

It said the application failed affordability checks. I understand Mrs B was disappointed about this. But I think Coventry considered her application fairly.

Coventry considered whether it could look at the application outside its usual policy. It couldn't do so at the time because Mrs B hadn't been making mortgage payments from her own bank account. Coventry told Mrs B it could consider her request outside its usual process if she could demonstrate that the mortgage was affordable for six months without support from her ex-husband.

Mrs B arranged for mortgage payments to be made from her own bank account. She says she purposefully kept monthly payments high by staying on the SVR after her product expired, to prove that the payments can be met.

Mrs B applied again in 2024 for the mortgage to be transferred into her sole name. Coventry said it couldn't look at the application outside its policy as Mrs B hadn't shown she could afford payments on her own income. This was because Mrs B's partner transfers money to her each month and without this Mrs B wouldn't be able to afford the mortgage payments. Mrs B says it's normal for adults living together to share household expenses. I understand the point she makes. But I can also understand why Coventry said Mrs B hadn't shown she could maintain mortgage payments from her own income.

Coventry told Mrs B it couldn't include her partner's income in its affordability assessment unless he was added to the application. Mrs B and her partner didn't want to do this.

Mrs B said she's prepared for the term to be extended to make monthly payments affordable, and her payments would be lower if she took out a new interest rate product. Coventry said its underwriters were asked to take this into account when reviewing their decision. Coventry said it didn't proceed with the transfer into Mrs B's sole name as the application didn't meet affordability checks based on Mrs B's income.

Mrs B says there's significant equity in the property. Rules on mortgage regulation still require Coventry to carry out affordability checks.

Having considered the evidence and what both parties have said, I don't think Coventry was unfair to decline Mrs B's application to transfer the mortgage into her sole name.

Mrs B also complains about poor service and being misled about the process.

Coventry apologised for not telling Mrs B that it might not be able to review the application outside its usual policy, even after she made payments for six months. I think an apology is sufficient. Coventry couldn't have known that Mrs B's partner would transfer money to her to help her meet the payments. And I don't think Mrs B would have acted differently. She says she's taken over responsibility for making the payments from her ex-husband. She also said it's normal for couples to share household expenses such as the mortgage.

Mrs B says she identified potential guarantors, having been told this might assist her. Coventry doesn't offer guarantor mortgages. It says it has no record of suggesting to Mrs B it might offer a guarantor mortgage, but apologised if it had given her this incorrect information.

Coventry also apologised for its mortgage adviser saying Mrs B had the option of looking at a more affordable property.

Mrs B said part of her complaint hadn't been addressed – that is, that she'd kept payments high to prove that she could afford the payments.

Coventry provided recordings of the calls in April 2024 when Mrs B raised her complaint. Mrs B did refer to the higher monthly payments. She said she'd recently found out that switching to a new product would reduce her monthly payments (from about £800 to about £500) and she felt that she'd been overcharged. Mrs B said she didn't understand the logic of saying the mortgage wasn't affordable when she'd proved she could make higher payments than was necessary.

I think Coventry treated this as part of Mrs B's complaint that it was unfair to decline her request to transfer the mortgage into her sole name on the basis it wasn't affordable. Based on what Mrs B said in the calls, I think this was reasonable.

More recently, Mrs B has said she was told that paying a higher rate would go in her favour, that Coventry had admitted the interest was higher than it should be and that it had taken advantage and overcharged her. It might be that Mrs B is saying she kept the mortgage on the SVR because she was told – wrongly – by Coventry that this was necessary or would help her application to succeed. If so, I think this is a different complaint to the one Mrs B raised and Coventry responded to in April 2024. That means I can't fairly make findings about that here. Mrs B should first raise these concerns with Coventry.

It seems to me that Mrs B's aim is to separate her mortgage and financial situation generally from her ex-husband. Mrs B – and her partner – might consider taking advice from a solicitor or an independent financial adviser to explore what options they might have to achieve this.

### **Putting things right**

Coventry offered £100 for poor service. I appreciate that Mrs B is disappointed and frustrated. But I think that's largely because Coventry didn't agree to transfer the mortgage into her sole name – and, as I explained, I don't think that was unfair. I think for the additional upset caused by Coventry's poor service £100 is fair and reasonable.

Coventry sent a cheque to Mrs B, which Coventry says hasn't been cashed.

### **My final decision**

My decision is that Coventry Building Society should pay £100 to Mrs B, as it offered to do.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 23 December 2024.

Ruth Stevenson  
**Ombudsman**