

The complaint

Mrs L complains that Lloyds Bank PLC trading as Scottish Widows Bank allowed her ex-partner to make changes to their joint mortgage. She asks that Lloyds changes its processes and pays compensation.

What happened

Mrs L has a joint mortgage with her (now ex) partner. They separated and Mrs L lives in the security property with their children. In mid-2024 her ex-partner applied to switch to interest only payments for six months under the Mortgage Charter.

Mrs L says her ex-partner had told Lloyds they were in the process of divorcing. She says Lloyds should have put a block on the account. Mrs L says after she objected to the switch to interest only payments her ex-partner reduced the amount he pays to her and she can't cover her outgoings. She says she's financially dependent on her ex-partner and is the victim of emotional and financial abuse. She says Lloyds enabled her ex-partner to do this.

Lloyds says its process for requests under the Mortgage Charter is intended to be straightforward. It says an application for a six-month switch to interest only payments can be submitted online by one party to the mortgage. It says while it was aware that the parties were divorcing it didn't know they were in dispute.

Lloyds said when Mrs L made it aware of the dispute it put a block on the account. The authority of both borrowers is required for further changes. It cancelled the six-month switch to interest only payments.

Our investigator said Lloyds followed its process when it agreed to the six-month interest only concession. He said Lloyds acted fairly when Mrs L told it about the dispute between her and her ex-partner.

Mrs L said Lloyds should not assume a separation is amicable and should have required the consent of both parties. She's concerned this could happen to other women. She says she's struggling financially and is due compensation from Lloyds.

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.

Lenders that signed up to the Mortgage Charter agreed to allow customers to switch to interest only payments for six months without an affordability check or this affecting their credit files. The intention is to help customers manage their finances during a period of high interest rates and increased costs of living.

Lloyds says its process for making a request under the Mortgage Charter is intended to be straightforward. The form is submitted online and can be completed by one of the mortgage holders.

Mrs L says her ex-partner wasn't truthful when he told Lloyds they were getting divorced, as he didn't say they were in dispute. Mrs L says her ex-partner didn't complete the form requesting the temporary switch to interest only payments truthfully. While I appreciate Mrs L's frustration, I don't think Lloyds could have known if the information it was given wasn't correct.

Each lender has its own policies and processes. Lloyds says it doesn't automatically put a block or marital dispute marker on an account when it's told a couple are divorcing. It says this doesn't mean a couple won't continue to manage a joint mortgage co-operatively. Lloyds' policy is for customers to tell it if there's a dispute.

While I appreciate that Mrs L doesn't agree, I don't think Lloyds acted unfairly by not assuming there was a dispute when it hadn't been told there was a dispute.

I don't think Lloyds made an error when it agreed to switch the mortgage to interest only payments for six months, under the provisions of the Mortgage Charter. It followed its usual process in doing so. It didn't know Mrs L hadn't consented. Lloyds wrote to Mrs L to notify her of the switch, so it did make her aware of what was happening with the mortgage.

When Mrs L contacted Lloyds to say she was unhappy about the switch to interest only payments it gave her the option to cancel the switch (which she did). Lloyds says the six-month interest only concession is still available to Mrs L and her ex-partner in future, with both parties' consent.

Lloyds' notes say that Mrs L asked it to write to both parties to confirm the concession had been cancelled. The only address Lloyds had was the security property. I appreciate that Mrs L would have preferred Lloyds to write to her ex-partner's new address, but Lloyds didn't have a record of this at the time. In the circumstances, I think it was reasonable for Lloyds to send the letters to the security property.

Once aware of the dispute between Mrs L and her ex-partner, Lloyds added a marker to the account. Future changes to the mortgage will need consent from both parties.

Mrs L said Lloyds' processes led to her experiencing financial abuse from her ex-partner. She says due to her ex-partner's control of their income she's struggling to pay bills. While I'm sorry for the circumstances Mrs L has described, I don't think these circumstances came about due to an error by Lloyds. Mrs L said she'd cited emotional and financial abuse in court documents prior to these events. Lloyds isn't responsible for the actions of account holders or how marital assets and income are shared between them.

I don't think Lloyds made an error or treated Mrs L unfairly. It acted in good faith when it received a request under the terms of the Mortgage Charter. When it was told there was a dispute between the joint account holders it put a marker on the account. When it was told Mrs L didn't agree to the interest only concession it cancelled it. I don't think it's fair and reasonable in the circumstances to require Lloyds to pay compensation to Mrs L.

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 Mrs L to accept or reject my decision before 21 March 2025.

Ruth Stevenson

Ombudsman