

The complaint

Mr F complains that HSBC UK Bank Plc mis-sold a mortgage to him. He says it told him he'd have to be party to a joint mortgage, even though he contributed a significant portion of the property purchase price. Mr F says HSBC didn't do sufficient checks on the joint mortgage holder (who I'll refer to as Ms M).

Mr F asks to be taken off the mortgage account.

What happened

Mr F and Ms M took out an interest only mortgage with HSBC in 2010, to buy a property. Mr F says he was misled by HSBC that he had to be named on the mortgage account. He says he was also misled by Ms M who hadn't disclosed she'd soon be out of work. He says HSBC should have requested a reference from Ms M's HR department.

Mr F says he hasn't lived at the property for two years and is still paying the mortgage interest.

HSBC said it carried out affordability checks before offering the mortgage in 2010. It said it wasn't made aware of Ms M's change in employment status until 2024.

Our investigator said it's normal for mortgage lenders to ask both parties to a joint purchase to be named on the mortgage account. It was for Mr F to decide whether to go ahead on this basis. Our investigator said HSBC didn't recommend the mortgage. He said HSBC didn't know that Ms M would soon be out of work.

Mr F didn't agree. He said HSBC wouldn't allow him to be on the property title unless he was also named on the mortgage. He says he was pressured into taking on the joint mortgage. Mr F asked if HSBC had provided all of its records from that time to us.

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.

Mr F and Ms M applied for a mortgage in 2010 to help fund the purchase of a property. Mr F says he provided about 50% of the purchase price and Ms M provided less than 30%. The mortgage loan made up the difference.

HSBC provided copies of documents from 2010 (and some documents related to Mr F and Ms M's previous joint mortgage with HSBC). This includes brief application notes, the mortgage offer, solicitors' correspondence, Land Registry title documents, and the mortgage deed. As the mortgage offer says the mortgage was taken out on a non-advised basis, I wouldn't expect HSBC to be able to provide a fact find or recommendation letter. I don't know what further documents and notes HSBC might have, given the amount of time that has passed. I haven't asked HSBC to provide more documents (if it has any). That's because I have enough information and evidence to reach a fair decision.

From what Mr F has said, it seems HSBC might have said it wouldn't offer a mortgage to Ms M alone if the property title was in joint names. Most likely HSBC was concerned that this could cause difficulties if it had to take possession and sell the property to recover the debt.

HSBC says it checked that the mortgage was affordable and asked both parties for payslips and bank statements. It didn't provide copies of these. However the available evidence doesn't suggest there were problems with affordability. Interest payments were maintained and most of the initial £160,000 mortgage balance has been repaid (the loan was reduced to about £80,000 by 2016 and to about £12,000 by 2022).

HSBC says it wasn't aware that Ms M would soon be out of work. I haven't seen any evidence that it was or should have been aware of this. I wouldn't expect HSBC to contact Ms M's employers outside its usual process unless it received information that alerted it to a possible problem. Given that Mr F was unaware that Ms M was about to have a change in her employment status, it seems unlikely HSBC could have known this.

HSBC is entitled to make a commercial decision about the basis on which it offers mortgages. If HSBC said that it would only offer a mortgage to Mr F and Ms M jointly, and not to Ms M in her sole name, I don't think that was unfair or unreasonable. It was for Mr F to decide whether to proceed with the property purchase and mortgage on that basis.

Mr F says he provided most of the deposit for the purchase. It was for Mr F and Ms M to agree between them – and take legal advice if necessary – about their relative contributions and their rights and ownership in the property. And I don't think I can fairly find that HSBC was responsible if Ms M didn't tell Mr F about an expected change in her employment status.

Mr F told HSBC that Ms M has prevented the sale of the property and he feels trapped, having to pay the mortgage interest without access to the property or the equity in the property. While I appreciate Mr F's frustration, I think these problems arise from his relationship with Ms M and not because of any error by HSBC.

I don't think HSBC made an error or treated Mr F unfairly. I don't think it's fair and reasonable in the circumstances to require HSBC to remove Mr F from the mortgage account.

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 Mr F to accept or reject my decision before 2 April 2025.

Ruth Stevenson
Ombudsman