

The complaint

Ms M's complaint is about a mortgage she holds with Santander UK Plc.

The essence of the complaint, which flows from an earlier complaint that we looked at in 2024, can be summarised under two broad bullet points. These are:

- that Ms M believes the arrears on the mortgage have been wrongly calculated; and
- the mortgage account is made up of two sub accounts, but payments have only been allocated to one of them.

What happened

In what follows, I have set out events in rather less detail than they have been presented. No discourtesy's intended by that. It's a reflection of the informal service we provide, and if I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint. This approach is consistent with what our enabling legislation requires of me.

It allows me to focus on the issues on which I consider a fair outcome will turn, and not be side-tracked by matters which, although presented as material, are, in my opinion peripheral or, in some instances, have little or no impact on the broader outcome.

Our decisions are published and it's important that I don't include any information that might result in Miss H being identified. Instead I'll give a brief summary in my own words and then focus on giving the reasons for my decision.

Ms M has held the mortgage for many year, having originally started it with a lender I'll call A, which was taken over by Santander in 2010. Ms M has been in arrears for many years, and has had cause to raise a series of complaints from time to time about Santander's handling of her accounts. In early 2024, against a backdrop of impending legal action by Santander to enforce its security, Ms M raised a complaint that Santander hadn't provided a detailed breakdown of the arrears history. That complaint came to us and in September 2024, we upheld it in part, asking Santander to provide a more detailed breakdown.

The complaint before me now arises from the material Santander has provided in response to the earlier complaint. An Investigator looked at the time limits that applied, and concluded that in respect of both heads of complaint, we could only look at events that occurred in the six years immediately preceding the start of the complaint; i.e. from September 2018 onwards. When he did that, he didn't uphold the complaint. Ms M has asked for an Ombudsman to review the Investigator's findings.

By way of a decision dated 12 May 2025, I confirmed that in respect of both broad elements listed above, my power to consider this complaint is confined to events since September 2018.

What I've decided – and why

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority. We deal with individual disputes between businesses and their customers.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. But in doing so, we have to work within the rules of the ombudsman service, and the remit those rules give us.

We revisit jurisdiction at every stage of our case-handling process. I've considered Ms M's email of 12 May 2025 responding to the jurisdiction decision, but it doesn't contain anything new that I hadn't already taken into account. So my jurisdiction decision remains unchanged.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, these are my conclusions, and the reasons for them.

Ms M believes the arrears on the mortgage have been wrongly calculated

The investigator rightly explained that it is not our role to audit mortgage accounts. It is open to Ms M to arrange for the mortgage account to be audited by a suitably qualified and independent party to look into all of the remediations that have been carried out.

The audit could then be used as the basis for a new complaint to Santander, underpinned by the evidence of the finished audit. That would give the bank the opportunity to consider and respond to it.

Ms M would have to meet the cost of the audit, albeit if errors were found that were to her detriment, she could reasonably expect Santander to reimburse any reasonable cost of the audit as well as taking any corrective action the audit revealed to be necessary. And if that wasn't resolved to her satisfaction, Ms M would still have the opportunity to refer that complaint to us.

I'm aware that an ongoing issue for Ms M has been about the provision of enough accounting information to allow Ms M to commission an audit. The investigator concluded that Ms M now has all she needs but that Santander could have provided the relevant material sooner than it did. He recommended Santander pay Ms M £100 compensation. Overall, I think that's a reasonable assessment and a fair solution.

The mortgage account is made up of two sub accounts, but payments have only been allocated to one of them.

Santander wrote to Ms M in December 2016 explaining that because she didn't pay by direct debit (Ms M makes her payments using the faster payment system) it could not apportion incoming payments across the two sub accounts that make up the mortgage. Instead, each payment is credited to just one sub account, with nothing going to the other. That's not an error on Santander's part; it's simply a consequence of the payment method Ms M uses. I'm satisfied Ms M has been on notice since December 2016 of what she can do to change that.

But even if she wasn't, there's no overall loss to Ms M. If the payments she has made over the years had been apportioned, more money would have been credited to one sub account

and less to the other. But overall, the same aggregate amount would have been credited to both. One sub account would currently be showing more arrears, the other less, but the overall arrears total would be the same.

I know this will come as a disappointment to Ms M, but for all the reasons I've set out above, I cannot find in her favour. I've noted her intention to raise a new complaint about events since September 2024; that's her prerogative of course. But I think it appropriate to reinforce a point I made in my earlier jurisdiction decision. That is that whilst lenders will often agree not to pursue recovery action whilst we look at a complaint, they don't have to and we can't force them to.

If the Financial Ombudsman Service had that power it would undermine our impartiality between the parties to a complaint. It would also create the potential for consumers to use our service to bring complaints with the intention of having any legal action put on hold, thereby obstructing businesses that were trying to take action through the courts to recover money legitimately owed by the consumers.

I do not wish to alarm Ms M but I would not want her to be under any misunderstanding that we would tell Santander that it must delay enforcement action in the event of any new complaint being raised about the mortgage. It is a matter for a court to decide whether it is appropriate to adjourn or suspend any enforcement action, not this service.

My final decision

My final decision is that I uphold this complaint in part, by ordering Santander UK Plc to pay Ms M £100 compensation. I make no other order or award.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 16 June 2025.

Jeff Parrington
Ombudsman