

The complaint

Mrs W complains that Santander UK Plc switched her mortgage to interest only in 2010. She's also disputing the level of arrears on the mortgage account and she's unhappy with the lack of support offered by Santander during a time when she was going through financial difficulties, including the fact that they won't allow her to change the mortgage back to capital repayment.

What happened

Mrs W has a mortgage with Santander which has been on interest only since 2010 which she is disputing. Over the years Mrs W has been in arrears on her mortgage and she believes that this is incorrect as the Department for Work and Pensions (DWP) have been making payments to the mortgage account.

Mrs W has explained that she has found herself in financial difficulty and doesn't think that Santander have done enough to support her.

Santander have issued various final response letters over the years about the concerns that Mrs W has raised. Santander have said they have acted fairly in all situations.

Mrs W didn't agree so she brought her complaint to the Financial Ombudsman Service where it was looked at by one of our Investigators.

The investigator explained to Mrs W that we wouldn't be able to consider all the complaint points that she had raised as we had already considered a complaint about the mortgage being switched to interest only in 2010. We considered previously that this complaint had been raised too late so we didn't consider it.

He also explained that Santander had consented to our service looking into the arrears from 2011 and whether the arrears were correct. But he said that we would only consider the last six years when looking at the support offered by Santander as that part of the complaint had been brought too late and Santander didn't consent to that part. So, he said we would only consider this part of the complaint from 12 March 2018 onwards.

The investigator then proceeded to give his opinion on the complaint and he didn't uphold it. He said the arrears figures looked correct and he thought that Santander had done enough to support Mrs W. He said that Santander offered to reduce Mrs W's interest rate from 2019 which was in place until January 2023. He said that a new rate was given in February 2023 until February 2024 and again in May 2024 until July 2025.

Mrs W still believes that Santander treated her unfairly. In summary she made the following comments:

- Mrs W is unhappy that Santander had spoken to her second charge lender and then legal action was then taken by them. She believes that Santander are in collusion with them.
- Mrs W believes that Santander are hiding something because they have allowed our service to go back to 2011 with regards to the arrears and not from 2010 when the mortgage changed to interest only.
- Mrs W said that exceptional circumstances applied to her case as she has some medical conditions which have affected her.

- Mrs W also made comments relating to the second charge lender and a charitable organisation that were helping her with her case against Santander.

As Mrs W disagreed with the investigator, she asked for the complaint to be reviewed by an Ombudsman, so it's been passed to me to decide.

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 already issued a jurisdiction decision setting out which parts of Mrs W's complaint I will be considering. I said that I would be considering the arrears since 2011 as Mrs W is disputing these. I also said I would be considering the support, or lack of support based on what Mrs W has said, since 12 March 2018. This includes looking at whether Santander have acted unfairly by not allowing Mrs W to change the mortgage back to repayment.

I've given careful consideration to all the submissions made by both parties, but I won't address each and every point that has been raised. I'll focus on the matters that I consider most relevant to how I've reached a fair outcome – in keeping with the informal nature of our service.

Having done all that, I don't think this complaint should be upheld. I realise this will be disappointing for Mrs W. But I hope the reasons I have set out below will help her to understand why I have come to this conclusion.

Although I've read and considered the whole file, I'll keep my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

Having considered everything provided by both parties, I agree with the outcome that has been reached by the investigator. I'll explain why.

arrears

Our service has already considered two previous cases for Mrs W which are in relation to similar issues. Mrs W had concerns about the DSS payments made to the mortgage account where she thought they hadn't been applied correctly. The second complaint was that Mrs W believed that Santander hadn't given her the correct information about the DSS payments.

I won't be looking at the same concerns again but I will bear these in mind when looking at the arrears from 2011.

I've taken a look at the contact notes that Santander have provided to us and reviewed what has happened since January 2011. Having looked at everything, I can see that there have been several conversations between Mrs W and Santander over the years and it's evident that there were times when Mrs W wasn't able to meet the full contractual monthly payment on the mortgage. There were also some missed payments as well.

Our role isn't to provide an audit on the mortgage account, our role is to consider the information to decide if a business has acted fairly and reasonably in the circumstances.

Having considered everything, I haven't seen anything that suggests the arrears balance is incorrect so I'm not persuaded that Santander have acted unfairly or unreasonably in relation to this.

Have Santander treated Mrs W fairly since 12 March 2018?

When a customer is in financial difficulty, we expect a lender to listen and to treat them fairly. We'd expect a lender to get an understanding of the individual circumstances and discuss what help is appropriate in order to try and get the mortgage back on track.

There are a range of measures a business can take to help based on a customer's circumstances which include agreeing payment holidays or arrangements, accepting less than the contractual monthly payment, switching the mortgage to interest only, extending the mortgage term or offering a new interest rate. This list is not exhaustive and just some of the things that may help someone.

Mrs W's mortgage has been on interest only since 2010. I know she doesn't agree that it should be but as explained in my jurisdiction decision, this isn't something I am going to be able to revisit again. But what this does mean is that Mrs W is only paying interest on the mortgage so extending the term of the mortgage for example, isn't going to change anything for her.

Because Mrs W was struggling to meet her monthly payments at times, changing the mortgage to repayment also wasn't going to help her as this wouldn't have been something that she could afford.

Mrs W's account was being managed by their assist team since 2017 due to Mrs W's vulnerabilities so from looking at the contact notes, she was dealing with the same advisers throughout. This is what we would expect when someone needs additional support so I'm pleased to see that Santander offered this type of support to Mrs W.

Going back as far as I can, I can see that a payment arrangement was made in May 2018 and various other payment arrangements have been made throughout 2018 and 2019 until Santander put Mrs W on their assist rate which was applied for in October 2019. This was in place until January 2023.

Mrs W's mortgage was then put onto a fixed rate of 4.49% in February 2023 which ran until 2 May 2024. And then in May 2024 a new fixed rate was offered on an interest rate of 6.05% until 2 July 2025.

I think Santander allowing Mrs W to go onto the assist rate was the right thing to do. This first became available to Santander in late 2019 so I can see that they offered it to Mrs W at the earliest opportunity they could. And then fixed rates were entered into after that point which considering the mortgage account was in arrears, was the right thing for Santander to do rather than leave Mrs W on the standard variable rate. The latest fixed rate that Mrs W entered into also doesn't have an early repayment charge so if she wanted to consider leaving Santander, she wouldn't be charged an early repayment charge to do so.

Based on this, I'm satisfied that for the period I can review, I think that Santander have treated Mrs W fairly and provided support in a period where things were difficult for her.

Mrs W has also made comments about the communication between Santander and another lender that have a second charge on her property. She believes that they are in collusion against her because Santander has shared information with them.

Santander responded to a lenders reference from the second charge company where Santander shared information about the mortgage balance and arrears. Santander haven't done anything wrong by doing this.

When a charge holder is considering legal action, which there was at the time, in relation to a second charge loan, they need to update other charge holders and request information to understand a consumer's financial position. That is what has happened here based on what I can see and I can't say that Santander have acted inappropriately in responding to that reference.

I can see that a separate complaint has been raised by Mrs W about the second charge lender and this will be considered separately to this complaint.

I note that Mrs W is now concerned that the term of her mortgage is due to end soon and she doesn't know how she is going to repay the outstanding balance. She should continue to engage with Santander about this to see what support they are able to offer her. She may

also want to get some free independent financial advice about what options may be available to her.

I know that this decision will come as a disappointment to Mrs W, but I find that Santander have acted reasonably in the circumstances of this complaint.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 14 May 2025.

Maria Drury
Ombudsman