

## **The complaint**

Miss B is unhappy with the way that Santander UK Plc has handled her mortgage account when it took possession of her property. She also complains about a county court judgement (CCJ) that Santander have registered against her.

## **What happened**

Miss B had a mortgage with Santander. She said she had experienced financial difficulty for a period of time due to ill health which meant the mortgage fell into arrears.

In 2019, the arrears on the mortgage account reached £24,487 and Santander applied to court for an order of possession. The order was suspended subject to Miss B making the payments which were ordered by the court. The CCJ was applied to Miss B's credit file at this point.

The terms of the suspended possession order were not maintained, and Miss B was also at the same time trying to sell her property. But she was having some difficulty as there was a short lease on it. Miss B said she was trying to get the lease extended but no-one was willing to help her.

As the order wasn't maintained, Santander returned to court to enforce the order for possession in December 2022.

The property was sold on 16 June 2023 for £216,000. This meant that there was a shortfall of £6,449 and this was referred by Santander to their debt collections on 1 August. Miss B said that Santander never kept her up to date with what was happening or that the property had in fact sold.

Miss B has also said she's unhappy that Santander's solicitors wouldn't use the conveyancing work she had already done on the property which has meant she had to pay more money. She said she had paid around £10,000 on estate agents, solicitors fees and management company fees. And now she owes Santander nearly £7,000.

Santander offered £500 to Miss B for misleading information they gave her about the CCJ which wasn't correct but they remained satisfied that they dealt with things fairly.

Miss B referred her complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. She thought that Santander had acted fairly and reasonably in how they handled things and thought the £500 offered was fair for the information Miss B was given about the CCJ.

Miss B didn't agree with this and 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'd firstly like to say how sorry I am to hear about the challenging time that Miss B has been going through. She has shared some sensitive information about how this has impacted her and I know it can't have been easy for her.

I think there is no doubt here that this has been a very stressful time for Miss B. Her mortgage fell into significant arrears with no real prospect from what I can see, as to how the mortgage was going to be put back on track.

Having looked at the history of the account, I don't think that Santander acted unreasonably in obtaining an order for possession in 2019 – which I know Miss B isn't disputing.

The court order from 2019 gave Santander possession of Miss B's property but that it was not to be enforced as long as Miss B paid Santander the unpaid instalments under the mortgage which at the time were £24,478, in addition to the current monthly payments.

Having looked at the mortgage transactions, there were very few payments made during 2020, 2021 and 2022. By December 2022 possession action was enforced.

Prior to possession action being enforced, I am aware from what Miss B has told us, that she was trying to sell the property, but she was having issues as it had a short lease. And it seems that she was trying to sell the property herself and can see from the notes provided by Santander that they were aware she was trying to do this in April 2022. She told Santander that the property had gone on the market in June 2022 and Santander agreed a two month hold but advised Miss B that she had to make payments to the mortgage until it was sold but this didn't happen, and the hold expired.

In September 2022, the sale fell through and in October, Miss B tried to sell the property at auction. She said she was waiting for management packs and wanted to appeal to the court to stop eviction which had been set for 7 December 2022. An appeal hearing was listed for 5 December where the judge ordered eviction should go ahead.

I can see Miss B's property was sold on 16 June 2023 for £216,000. The statement of account that I have seen shows that after interest, repairs to property, ground rent, litigation costs and other costs – the balance increased to £234,404.45. The outstanding balance of the mortgage and repayments which totalled £227,955.32, were taken off this amount leaving a shortfall of £6,449.13.

I appreciate that Miss B isn't happy with this and she has paid her own costs when she was trying to sell the property – but I've not seen anything that suggests that this is incorrect. While I understand she would have paid fees when she was trying to sell the property herself, that doesn't mean that she wouldn't incur fees when Santander took possession to then sell the property themselves.

I don't think that Santander have acted unreasonably here. The court had decided that eviction could go ahead and it's likely that had it not have, Miss B would have eroded more of the equity in the property as arrears would have increased and it's likely any shortfall would have been more than it is.

Miss B has since questioned why Santander sold the property for the amount that they did as she feels it should have been sold for more money. It appears that Santander had the property on the market at £260,000 which was then reduced to £250,000 in March 2023. They had four offers with the highest being £210,000 and then an offer was accepted in May 2023 for £216,000. Based on the information provided, I haven't seen anything to suggest that any other offers were made that were higher than what was obtained.

Miss B has said that Santander didn't keep her updated with what was happening. Santander said that they would have sent Miss B a letter to let her know the property had been sold – but they didn't have an address for her. Santander have since said they did have an address, but it wasn't updated on their systems. I can see that their debt collectors did try to locate Miss B but were unsuccessful. It was only when Miss B contacted them that she found out the property had been sold and that there was a shortfall.

I wouldn't have expected Santander to have kept Miss B updated once they took possession of the property, but I would have expected them to let her know about the shortfall once the property was sold.

As for the CCJ, Miss B has explained it's caused her a great deal of stress as she is unable to move anywhere because of this. I've taken a look at this CCJ and while it's in relation to the mortgage balance, I can see it on Miss B's credit file for the full balance of the mortgage as at 19 July 2019 which is the same date as the suspended possession order.

We asked Santander to give us some more information about this and they said it's not something they would have applied for as they had first charge on the property anyway.

We went back to Santander to ask them if they had applied it as it would be unusual for a court to apply it unless the lender asked them to. Santander said that they didn't have any dealings with this CCJ and likely that the court requested the CCJ to be added as a secondary charge. They confirmed they didn't ask the court to apply it.

Seeing as this CCJ was applied on 19 July 2019, this should have now dropped off from Miss B's credit file as it's now over six years which is usually how long they stay on for. So if this hasn't now been removed from Miss B's credit file, Miss B can request this to happen through the court. If it then transpires that Santander did apply it, and it's still not removed then if Miss B wanted to – she can raise this as a new complaint.

Miss B also contacted us and said she has some telephone calls to provide us which shows that Santander were very supportive of her but then suddenly repossessed her property. The investigator explained to Miss B that we didn't need these calls as we had everything we needed already, and we were aware of what had happened so these calls wouldn't add anything to Miss B's complaint.

I think the amount that Santander have offered of £500 is fair and reasonable for the incorrect information they gave her regarding the CCJ. I do acknowledge that this has caused Miss B a great deal of stress but a lot of what has happened has been outside of Santander's control. The mortgage was in significant arrears with no prospect of repaying that back which ultimately ended up with Miss B losing her property which I know was very upsetting for her.

Taking everything into account, I am satisfied that Santander have acted reasonably in this situation. I know this will come as a disappointment to Miss B but I hope my reasons help her to move on and I do wish her the best for the future.

## **My final decision**

The offer that Santander UK Plc have made of £500 is reasonable and they should pay this to Miss B if they haven't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 27 October 2025.

Maria Drury  
**Ombudsman**