

The complaint

Mr C complains that Santander UK Plc applied a preferential interest rate product to his joint mortgage without his consent.

Mr C asks that Santander accepts he didn't agree to the new terms and that he no longer wants his name on the mortgage account.

What happened

Mr C has a joint mortgage, taken out some years ago. There's a dispute between the account holders.

In April 2024 Mr C received a product transfer offer. This said all account holders must sign to accept the new product. Mr C didn't sign. He wants the property to be sold or the other account holders to re-mortgage so that he can receive his share of the equity and be removed from the mortgage. Despite Mr C not signing, Santander applied the product to the account.

Santander says its policy is that where account holders are in dispute a new product can be applied with the consent of one account holder in certain circumstances. It says no product fee was added to the account and no early repayment charge (ERC) will be applied if the property is sold.

Our investigator said Santander acted fairly and applying the new product didn't have a detrimental impact on Mr C. He said Mr C would have to reach agreement with the other account holders regarding the sale or remortgaging of the property.

Mr C didn't agree. He said Santander's process was deceptive and unfair.

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.

While I understand Mr C's frustration that the new product was applied without his consent, I don't think that Santander acted unfairly.

Santander allows a new preferential interest rate to be applied with the consent of one account holder in certain limited circumstances. Santander applied the preferential interest rate to Mr C's mortgage account in accordance with its policy.

Mr C says this caused him detriment. He doesn't want his name on a loan that he doesn't benefit from and with terms he didn't agree to.

Mr C doesn't live in the property and is in dispute with the other account holders. He'd like the property to be sold or remortgaged, to release his equity in the property and remove him from the mortgage. While I understand that the situation is difficult, this isn't due to any error by Santander.

Santander has to treat customers fairly, including in circumstances where account holders are in dispute and might have different interests and aims. That includes the account holder that makes the monthly payments for this mortgage as well as Mr C. I don't think it's fair to require Santander to remove the preferential interest rate. Applying the preferential interest rate didn't cause financial loss to Mr C. It reduced the amount of interest applied to the account. No product fee was added to the account. Santander says no ERC will be applied if, for instance, the property is sold and the mortgage redeemed.

Mr C agreed to be on the mortgage account when he applied for and took out the mortgage. I don't think it's fair to require Santander to remove Mr C from the mortgage account simply because a preferential interest rate product has been applied.

I appreciate that Mr C felt misled, in that the product transfer offer said all account holders must sign. But I don't think he'd have acted differently if he'd known his consent might not be required.

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 C to accept or reject my decision before 25 June 2025.

Ruth Stevenson
Ombudsman