

The complaint

Mr P and Mr V complain that The Co-operative Bank Plc (“Co-op”) won’t let them port their mortgage to a property in Northern Ireland. Mr P and Mr V say Co-op’s online information about porting isn’t clear, and preventing them moving to Northern Ireland is discrimination.

What happened

Mr V and Mr P remortgaged in early 2024 to Co-op. They took a deal with a rate fixed until the end of May 2029. In common with most fixed interest rate deals, there was an Early Repayment Charge (“ERC”) if Mr V and Mr P paid off the mortgage early.

In November 2024, Mr V and Mr P asked Co-op if they could borrow some more money and port their existing mortgage to a home in Northern Ireland. Co-op said no. Mr V and Mr P said they then researched Co-op’s porting policy online, and didn’t think it was clear. The published policy said they could only port the mortgage to a property in England, Wales or Scotland but didn’t say that porting wasn’t possible to Northern Ireland. So they said this was misleading, and they felt the exclusion of Northern Ireland was discriminatory.

Co-op said it didn’t offer new lending in Northern Ireland. It had stopped lending on properties in Northern Ireland on 30 April 2017. It said the mortgage offer it had sent to Mr V and Mr P wasn’t for a property in Northern Ireland, and that offer confirms that the mortgage could only be ported to a property which was within the Co-op’s lending policy and criteria at the time. Co-op was sorry it couldn’t help Mr V and Mr P.

Our investigator thought it was unusual that Co-op said it would lend on properties in England, Wales and Scotland, and wouldn’t lend on properties in the Crown Dependencies, but didn’t set out that it also wouldn’t lend on properties in Northern Ireland. However, he said that was Co-op’s policy, and he didn’t think Mr V and Mr P were being treated any differently to other customers.

Mr V and Mr P replied to disagree. They said there was a lack of clarity in Co-op’s lending criteria, which they felt was misleading. They pointed out that Co-op’s terms and conditions allowed for lending in Northern Ireland. And they said they couldn’t know when this policy had changed. They thought Co-op might be discriminating.

Our investigator asked Co-op for some clarification, but he didn’t change his mind. Mr V and Mr P said they wanted their complaint to be considered by an ombudsman, so it was passed to me for a final decision.

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 reached the same overall conclusion on this complaint as our investigator.

When this case came to me, I asked Mr V and Mr P for some further information, and I thank

them for providing that. Mr V and Mr P have told us that Northern Ireland held better job opportunities and a reduced cost of living for them both. But they said a relocation would cost several thousand pounds, because of the existing ERC on their mortgage.

Mr V and Mr P felt that Co-op's information on porting was unclear and unhelpful, because whilst it does list the countries that Co-op will allow customers to port to, it doesn't also specifically say that customers cannot port to Northern Ireland. Mr V and Mr P also said this policy contradicted Co-op's terms, which say a mortgage must be secured on a property within countries including Northern Ireland.

Mr V and Mr P also felt this was discriminatory, not to lend in one of the four UK territories.

I should start by saying that I don't agree that Co-op's terms are unclear. The difference between Co-op's porting criteria and its terms and conditions, is simply a reflection of the changed underlying lending policy.

Co-op used to lend on properties in Northern Ireland. Although Co-op stopped offering any new lending on Northern Ireland properties in 2017, mortgages are a long-term product, so Co-op still has customers in Northern Ireland who haven't yet finished paying off their mortgages, and it will have for some time to come. So its terms still say that mortgages can be secured on Northern Ireland properties, to reflect those customers.

However, Co-op has decided not to do any further lending in Northern Ireland. So when it's porting an existing mortgage, taken out in England, Wales or Scotland, it won't allow that mortgage to port to Northern Ireland. That's why its porting criteria don't mention Northern Ireland.

Mr V and Mr P said that wasn't clear. But I don't think Mr V and Mr P were misled into taking out a mortgage with Co-op because of this. They've told us that when they fixed their current interest rate with Co-op for five years, they weren't aware of the job opportunities that Northern Ireland offered them. And I understand Co-op then explained its policy to them over the phone, before they saw the porting criteria online. So I don't think the reason Mr V and Mr P have to pay an ERC on their current lending now, would be because of any lack of clarity in Co-op's published policy.

Mr V and Mr P also said they thought it was discriminatory for Co-op to offer new lending in England, Wales and Scotland, but not Northern Ireland. Our service isn't the expert on discrimination, and only a court could formally decide if Mr V and Mr P have been discriminated against. But our service does take the relevant law into account, and it did seem possible that Co-op's decision not to allow porting into Northern Ireland could have an indirectly discriminatory effect, because it's more likely to affect those who have roots in Northern Ireland and wish to return there in future.

In very broad terms, things like this which might affect people differently aren't always unlawful. So I needed to know if there was a good reason for what the business is doing. I asked Co-op to explain the basis of its decision to stop new lending in Northern Ireland.

Co-op has shown us why it took the decision not to lend on properties in Northern Ireland. I have reviewed the assessments completed by Co-op at the time that decision was made, and I'm satisfied it was based on commercial considerations and was a balanced and reasonable decision for the business to make.

I can't share this information in full with Mr V and Mr P, as it's commercially sensitive. But I am able to summarise the basis for this decision, and I'll do so here. In short, the law and procedures are different in Northern Ireland to the rest of the UK, and in 2017 mortgage

lending from this area was already only a very small part of Co-op's business. So Co-op decided it would phase out the resources required to deal with that difference. As part of that, it's not accepting new business in Northern Ireland, although it will of course continue to service the mortgages of people who live there and are already its customers.

People who live in Northern Ireland are still able to secure mortgages with a range of other lenders. And of course, Mr V and Mr P aren't trying to take out a completely new mortgage here. Having considered the assessments completed at the time, I don't think Co-op acted unfairly when it decided to change its lending policies for customers in Northern Ireland.

I also considered whether people who have roots in that area may be more impacted by Co-op's decision to wind down its mortgage lending in Northern Ireland. If they already have a Co-op mortgage, then want to move to Northern Ireland, they will find as Mr V and Mr P did, that they can't port existing mortgage lending to Northern Ireland.

But if Co-op's decision to stop new lending in Northern Ireland is a proportionate means of addressing a legitimate business aim, then I think it's very difficult to see how that aim can be achieved, without Co-op also stopping existing lending from being ported to Northern Ireland.

Without this part of its policy, which prevents existing mortgages from being ported to Northern Ireland, Co-op could never completely stop lending in Northern Ireland. And that would mean Co-op would always have to retain the separate resource and expertise needed to service this lending, although it's no longer active in that market. So, in short, I haven't been able to see that there's a less impactful way for Co-op to achieve its goals. And that means I don't think I can uphold Mr V and Mr P's complaint, on the basis that Co-op has unfairly discriminated against them

I know that Mr V and Mr P will be disappointed, but I don't think this complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mr V to accept or reject my decision before 17 September 2025.

Esther Absalom-Gough

Ombudsman