

The complaint

Miss A complains that Santander UK Plc wouldn't lend her enough to allow her to port her existing mortgage to the new home she was buying. Miss A said Santander offered to lend her enough, then changed its mind so it could claim an Early Repayment Charge.

What happened

Miss A said Santander unfairly withdrew its mortgage offer, after she was committed to the sale of her existing home and the purchase of a new property. So she said she was left with no option but to redeem her mortgage with Santander and seek lending elsewhere.

Miss A said Santander hadn't explained why it would no longer lend what its Decision in Principle ("DIP") had offered. So she thought it only refused to lend the amount she wanted so it could claim an Early Repayment Charge ("ERC") on her existing borrowing. And she said she was able to secure the borrowing she wanted with another high street lender, so she thought that showed Santander's decision was wrong.

Miss A wanted Santander to repay the ERC she'd been charged.

Santander said something different. It said it hadn't withdrawn a mortgage offer to Miss A for this lending. It had never made an offer. It had given her a DIP, saying it may be able to lend up to £232,400 but Santander said that DIP document stated very clearly that it wasn't an offer. Miss A's application was then fully assessed by its underwriter, and unfortunately Santander wasn't able to lend quite that much. Miss A said she would increase her deposit, and Santander then said it was able to lend her £205,300, but she didn't want to go ahead with that.

Santander said its previous offer of lending to Miss A, made some years ago when she bought her previous property, was clear that an ERC applied until April 2026. And Santander said the amount it had charged was in line with that offer. So Santander didn't think it had done anything wrong.

Our investigator didn't think this complaint should be upheld. She said the DIP document was clear that the DIP amount wasn't guaranteed, as it was subject to further assessment. She didn't think Santander had made an offer in this case. She understood that Miss A would be disappointed not to be offered the full amount set out in the DIP, but she said that a DIP wasn't a guarantee that a mortgage would be approved for the same amount.

Our investigator said Miss A's lending was subject to an ERC. And she didn't think Santander had acted unfairly. She understood Miss A had secured the lending she wanted elsewhere, but she said that different lenders do have different criteria.

Miss A replied to disagree. She said that she'd based her decisions on the figure in the DIP, and it was unfair for Santander then to change that. She said there had been no change in her income, and Santander hadn't explained why it had changed its mind. Miss A wanted her case 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.

I understand why Miss A would be disappointed to find that Santander wouldn't lend her as much as it had initially suggested in the DIP it provided. Miss A wanted to know the reason for that, and said her income hadn't changed. But I think the answer is likely to be simply that Santander carries out a much, much more detailed assessment of the total position when it's working out how much it could include in a mortgage offer. As Miss A will be aware, the application process looked much more closely at her position, as well as the property she wanted to buy. And that's when Santander decided it could only offer a slightly smaller amount of lending.

I can see Santander tried to work with Miss A's broker to find a way to offer her a little more borrowing, exploring changes to the term or to her deposit, but wasn't able to find a way to offer her what she wanted. I don't think it's likely that this decision was influenced by the presence of an ERC on Miss A's existing lending. And I don't think it was unreasonable or unfair for Santander to then charge the ERC, which was a condition of her existing lending, when Miss A decided to go ahead with her purchase, based on borrowing elsewhere.

I can also understand why Miss A feels that having been able to get the lending she wanted elsewhere, shows that Santander got things wrong. But I'm not able to agree with that. Even among high street lenders, different lenders do assess risk in different ways, and have differing criteria for lending. So I'm not able to say that Santander got things wrong here, just because another lender offered Miss A what she wanted.

I know that Miss A will be disappointed by my decision, 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 Miss A to accept or reject my decision before 14 October 2025.

Esther Absalom-Gough
Ombudsman