

## **The complaint**

Mr V's complaint is about a mortgage he and his ex-wife had with Santander UK Plc. He is unhappy about the adverse data that was reported to credit reference agencies (CRAs) relating to a period where no payments were being made, and which have affected his credit file.

In settlement of the complaint Mr V wants Santander to remove the adverse data from his credit file.

## **What happened**

Mr V and his ex-wife took out a mortgage with Santander in 2018. It was arranged on an interest-only basis over a term of 21 years.

In the spring of 2023 Santander was informed that Mr and Mrs V had separated. In February 2024 the direct debit mandate that allowed Santander to collect the monthly interest payment was cancelled. A manual payment was made in March 2024, but no further payments were made, and the account went into arrears.

Between April and July 2024 Mr V discussed the account with Santander and it completed three assessments of his finances, to see if it could help with the situation. It concluded that Mr V's income and expenditure showed that he could not afford to make any payments towards the mortgage. As the property was being sold, Santander agreed that no payments needed to be made on the account for six months, it placed a "hold" on the account so that no legal action would be taken and no fees would be applied. It was confirmed that the arrears would be reported to CRAs.

The mortgage was repaid in October 2024 when the property was sold. Mr V complained shortly thereafter.

Santander responded on 30 October 2024. It said that when a mortgage fell into arrears it was required to report that fact to credit reference agencies. As such, Santander said that it had done nothing wrong, and it didn't uphold the complaint.

Mr V was not satisfied with Santander's response and referred his complaint to this Service. He told us he had suggested to his ex-wife that he make the mortgage payments, and be reimbursed when the property was sold, but she had refused the arrangement. He has also said that he said to Santander that he would pay half the monthly payment if it didn't register anything on his credit file, but it did not agree to this.

One of our Investigators considered the complaint, but he did not recommend that it be upheld. Mr V didn't accept the Investigator's opinion and asked that the complaint be looked at again. He said that he didn't think it was fair that he had offered to pay his half of the contractual payment, and Santander had refused to work with him.

The Investigator considered Mr V's comments, but he was not persuaded to change his conclusions. Mr V remained of the view that Santander had not treated him fairly and it was decided that the complaint should be passed to an Ombudsman for consideration.

### **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.

Mr V has referred to "his half" of the monthly payment. I would confirm that while Mr V and his ex-wife may have made an arrangement between themselves in which they would each pay half of the monthly payment, that did not affect the contract they had with Santander. Under that contract they were jointly and severally liable for the mortgage payments. This means that they were each responsible for ensuring that the entire monthly mortgage payment was made. So when Mr V indicated that he thinks Santander should have accepted him paying half the monthly payment as him fulfilling his obligations under the mortgage contract, that is simply not the case.

Where a lender reports to CRAs, it is required to ensure that the information it reports is correct. This means that where a mortgage is in joint names, the conduct of the account will be reported on both borrowers' credit files if they are jointly and severally liable for the debt. This is what Santander did, and I can't find that Santander was wrong to do so.

When borrowers are in financial difficulties, a lender is required to try to help them. The lender will look at forbearance options in order to try to help. However, that does not mean that a lender has to agree to whatever a borrower proposes. So while Mr V may have proposed to pay "his half" of the mortgage payments, expecting that to mean the arrears would not be reported on his credit file, that is not something Santander had to agree to. Indeed, as Mr V was liable for the whole mortgage payment, it was not something it could reasonably agree to, as it would require it to report inaccurate information to CRAs.

Furthermore, given that when Santander assessed Mr V's financial situation, it determined that he could not afford to make any payment toward the mortgage, Santander could not have entered into an agreement for him to pay half the monthly payment. A lender cannot enter into an agreement that would likely place a borrower in a worse financial position – had Santander agreed to Mr V making payments to the mortgage when it knew he could not afford them, it would have placed him in a worse position. The six-month nil-payment agreement was fair and reasonable in the circumstances.

Overall, I don't think that Santander acted unreasonably in putting in place the forbearance measures it did in 2024, or that it was wrong to report the arrears to CRAs for them to be recorded on Mr V's credit file.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr V to accept or reject my decision before 9 July 2025.

Derry Baxter  
**Ombudsman**