DRN-5595390

The complaint

Mr and Mrs L complain that Santander UK Plc won't remove the charge on their property, although they've paid off their mortgage, unless they also pay a fee of £225. Mr and Mrs L say that's far too much money to ask for just removing the charge over their property.

What happened

Mr L said he and Mrs L had repaid their mortgage, but Santander wouldn't remove the charge over their property. It wanted them to pay a £225 fee. Mr L didn't think they should have to pay this. He said that the charge was not adequately explained when the mortgage was first applied for, and it was excessive for the amount of work required just to take the charge off through the Land Registry.

Mr L said he either wanted the fee to be reduced to a reasonable level, perhaps £50, or he wanted it to be waived altogether.

Santander said that this fee was noted in a number of places in the mortgage offer documentation it originally sent to Mr and Mrs L. It had reminded Mr and Mrs L of the fee when they changed their mortgage product in 2019, and each of the last four annual mortgage statements had reminded them again.

Santander said it wouldn't reduce or waive this fee.

Our investigator didn't think this complaint should be upheld. He said he could see the fee was mentioned in the original offer, the terms and conditions both sides agreed to then, and the tariff of charges for the time. That meant Mr and Mrs L were alerted to this fee when they took out the mortgage. The offer also made clear that this was a fee to cover the general administration of the mortgage. It became payable upon completion but could be deferred until the end of the mortgage term. Santander wrote to Mr and Mrs L again once they'd taken out the mortgage, asking if they did want to pay right away.

Our investigator said that this fee wasn't just charged for redeeming the charge. It covered the cost of the administration of the mortgage throughout the entire term. In light of that, our investigator didn't think this was an unreasonable sum. He didn't ask Santander to waive the fee.

Mr L replied to disagree. He didn't think the charge covered the general administration of the mortgage. He said Santander's general administration costs were paid out of its gross profit. Mr L said Santander had never had to incur additional work, because he and Mrs L had never once paid late. So he still thought this fee was only to contact the Land Registry and release the charge, and it was too much for doing that.

Our investigator didn't change his mind. He said Santander's documentation confirmed what the charge was for, and if Mr and Mrs L didn't want to pay it, they didn't have to take out this mortgage. Our investigator didn't think this charge was excessive. He said some lenders charge less, or don't charge at all, but others charge more. So he didn't agree the account fee was excessive or an obvious outlier.

Because no agreement was reached, this case came 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've been able to confirm what our investigator said, about a number of different ways that this charge was drawn to Mr and Mrs L's attention when they received their mortgage offer. So I think Santander did do enough to alert Mr and Mrs L to this charge before they accepted that offer.

I've also been able to see that Santander reminded them of this charge, and offered another opportunity to pay, when they made changes to their mortgage in 2019. And it provided reminders of this fee on each of Mr and Mrs L's last four annual mortgage statements. So I think Santander has also been clear throughout this mortgage term, that this fee needed to be paid.

Mr L disputes what he's paying for. He thinks this is just to release the charge on his property. But Santander says it's not, it's for administration across the whole term. And I think that's consistent with Santander having said that Mr and Mrs L can pay this fee at any point during the term. I don't think that it would be fair and reasonable for me to simply accept Mr L's assertion that this is just for removal of the charge at the end of the term.

Mr L doesn't think Santander is treating its customers fairly by asking for this fee. But I think this fee was set out before Mr and Mrs L accepted the offer, it has remained in place throughout the term, Mr and Mrs L have always had the option to pay it, and it hasn't risen since the mortgage was originally taken out. I don't think this is unfair or unreasonable. And, like our investigator, I haven't been able to see that this fee is excessive.

I know that Mr and Mrs L 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 Mrs L and Mr L to accept or reject my decision before 27 August 2025.
Esther Absalom-Gough
Ombudsman