

## **The complaint**

Mrs H complains Handelsbanken plc trading as Handelsbanken had carried out a credit search without her permission. She didn't accept that this was just because of arrears on the mortgage. She wanted us to look into wider issues about her treatment, and repossession.

## **What happened**

This mortgage is in joint names, but in these particular circumstances our service has agreed to look into the complaint Mrs H made to Handelsbanken, without the involvement of the other person named on this mortgage.

Mrs H said Handelsbanken had carried out a credit search on her, without her permission. She said Handelsbanken told her it did this because of arrears on her mortgage. She said she understood that companies can perform a search if they are worried about being paid, but she said that this credit search suggested Handelsbanken was considering further borrowing and she hadn't applied for any.

Mrs H said she didn't think any credit search had been carried out on the other person named on this mortgage. She said she lives in the mortgaged property under an occupation order, which allows her to live there but requires the other party named on the mortgage to make the payments. She said payments weren't being made, so the mortgage had fallen into arrears.

Mrs H said Handelsbanken should remove the credit search on her file. She didn't believe the same credit search was run for the other person named on the mortgage, so she wanted us to look into why not. And she wanted our service to ask Handelsbanken to pause its action for repossession of the property.

Handelsbanken didn't think it had done anything wrong. It said that the only reason it carried out a credit search was because of the arrears on the mortgage. It had tried to talk to Mrs H about those arrears, but hadn't been able to. Handelsbanken showed our service the policies it had shared with Mrs H when this mortgage was taken out, which form part of her terms and conditions. It said those allow Handelsbanken to carry out a credit search in circumstances like this.

Our investigator set out for Mrs H that our service would only be able to review matters which had been the subject of her original complaint to Handelsbanken, and which Handelsbanken had replied to. So here, we could look at the credit search, why it was done, and if it was fair that Handelsbanken did this.

Our investigator looked into things, but said she didn't think this complaint should be upheld. She said that whilst an agreement had been reached between Mrs H and the other party, that the other party would pay the mortgage, Mrs H would continue to be equally liable for the mortgage and any issues that may arise.

Our investigator said she thought Handelsbanken only did this search because there were arrears on Mrs H's mortgage, and it hadn't been able to speak to Mrs H about those at all.

She said the documentation Handelsbanken had shown us, said it could carry out such a search. Mrs H had agreed to this when she took out the mortgage.

Mrs H said she'd shown us that Handelsbanken wasn't reporting missed payments, it was enquiring about a credit application. She thought Handelsbanken was asking about further borrowing without her consent. Our investigator said that checks done by lenders don't stipulate the reason for the checks, just that a review was carried out, either in a form of a "soft search" or a "hard search". Ms H still thought this was a credit application. And she said that she didn't believe Handelsbanken had acted fairly and openly. She said she wanted the files reviewed, because she thought the other person named on the mortgage was being treated more favourably.

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.

Mrs H has asked our service to look into further issues, such as equality of treatment between herself and the other person named on this mortgage, and whether the repossession of this property should be stopped. But the complaint she made to Handelsbanken was about the credit search which appeared on her credit file in June 2024. She said she hadn't given permission for that search, and asked Handelsbanken why it had been done. That's the complaint that Handelsbanken responded to, and it's the complaint our service has looked into. So I'll confine myself to looking at this issue.

If Mrs H wished to expand her complaint to cover issues of inequality of treatment, or legal action Handelsbanken is taking for repossession of this property, then in the first instance, she'd need to raise these wider issues with Handelsbanken. Our service would then need to consider whether it was appropriate for us to investigate matters, where we only have Mrs H's permission to do so, and the complaint deals with a mortgage that remains in joint names. It's not for me to comment here on any view our service may reach on that, in the future.

Our investigator said that this credit search had been done because Handelsbanken was concerned about arrears on the mortgage, and she could see Handelsbanken's terms and conditions allowed it to do this. I can see that Handelsbanken has provided this explanation for its search, and I've checked that the relevant terms do allow it to carry out a credit search in these circumstances.

In response, Mrs H said she believed this search was in connection with a credit application. Mrs H has sent us a screenshot from her credit report, which does say this was for a credit application, so I understand her concern here. However, I think that's likely to have been because Handelsbanken would usually request this sort of search when someone first asks for credit. I don't think this search was requested because Handelsbanken is seeking to make any credit application or extend this mortgage without Mrs H's agreement. Overall, I've seen nothing to suggest that Handelsbanken's reason for this search was anything other than it said – because of concerns about the building arrears on this mortgage.

So I'm satisfied that the reasons Handelsbanken gave for carrying out this credit search were those it has given Mrs H, and then our service. I'm also satisfied that the agreement Mrs H reached with Handelsbanken does allow it to carry out a credit search in these

circumstances. For those reasons, 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 H to accept or reject my decision before 28 July 2025.

Esther Absalom-Gough

**Ombudsman**