

The complaint

Miss O complains that Bank of Scotland plc trading as Halifax misled her that she'd be able to port her mortgage when she moved home. This wasn't the case and she had to pay an early repayment charge (ERC) and lost the benefit of the lower interest rate. Miss O says the situation caused her stress and anxiety and wasted her time. She asks for compensation.

What happened

Miss O had a mortgage with Halifax. She was buying a new build property with her partner. Initially Miss O wasn't sure that her property would sell before the purchase completed. So her partner applied for a mortgage with another lender.

Miss O did receive an offer for her property. She spoke to Halifax in mid-2024 about porting. Miss O was told she'd be able to port her product provided she started a mortgage application within three months of closing the mortgage account.

Miss O's sale and purchase completed on the same day, in late September 2024. Miss O and her partner purchased the new property with a mortgage from another lender. In October 2024, Miss O contacted Halifax about porting her mortgage product to the new property. She was told this wasn't possible. Halifax's policy is not to offer a mortgage for a property that a customer has owned for less than six months.

Miss O says she spent two hours with a mortgage adviser and had to wait several weeks before being told she couldn't port her mortgage. Miss O says Halifax recently changed its policy not to offer a mortgage for a property which has been owned for less than six months, and its staff were not aware of or didn't understand the policy. She says if she'd been told about this policy she'd have ported her mortgage when she bought the new property.

Miss O is also unhappy about Halifax's response to her complaint. She says it admitted its staff member should have gone into more depth about her circumstances. However it only offered £80 compensation for poor service. Miss O says this is not enough.

Our investigator said Halifax had given Miss O correct information in response to the questions she asked and the information she gave it. Our investigator said Halifax didn't know Miss O intended to buy a property with a mortgage from another lender and then apply to port the mortgage product. So it couldn't tell her that this would be outside its lending policy.

Miss O didn't agree, and asked that an ombudsman reconsider the complaint.

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.

Miss O's mortgage with Halifax had a fixed interest rate product which was due to expire in February 2027. An ERC was payable if the mortgage was repaid while the product was in

place. The mortgage offer said the product rate could be ported to a new mortgage, if Halifax agreed to the new loan. It said new loan applications are assessed in line with the lending policy at that time.

Miss O called Halifax in July 2024. I've listened to a recording of this call. Miss O said she was buying a new build house with her partner. She said initially they weren't sure if her property would be sold and so her partner had applied for a mortgage in their sole name. Miss O said it now looked like her property would sell and she wanted to understand her options with porting. Miss O asked if another borrower could be added to the mortgage and the loan amount topped up when she ported. Halifax said Miss O would have to make a new mortgage application, so she'd do this in joint names with her partner. It said if she ported she'd be able to keep the rate for her existing loan (and wouldn't have to pay the ERC), and she'd take out a new rate for the additional borrowing.

I think the information Halifax gave Miss O on this call was correct, based on what she told it.

Miss O called Halifax on 6 September 2024. I've listened to a recording of this call. Miss O said *"I'm selling my house and it should complete by the end of this month, but there's then going to be a gap before I buy the next house so I'm wondering how it works with my mortgage and the early exit fee..."*

Halifax said Miss O would need to start an application within three months of closing the mortgage. It said she'd have to pay the ERC but this would be refunded when the new mortgage completes. Miss O said the house she was looking to buy would be with her partner and they'd need extra borrowing.

Again, I think the information Halifax gave Miss O on this call was correct, based on what she told it. It told Miss O – correctly – that she'd need to submit a porting application within three months of repaying the mortgage. Miss O didn't tell Halifax she intended to buy a property with a mortgage from another lender, and apply after this to re-mortgage with Halifax in order to port the product. There was nothing in what she said that ought to have alerted Halifax to this being her intention.

Halifax didn't discuss other criteria, such as that it won't accept a re-mortgage application until a customer has owned a property for six months. It didn't know Miss O intended to buy a property, with a mortgage from another lender, and make a porting application shortly after this. Miss O didn't ask Halifax if this was possible, or say this was what she was thinking of doing.

The sale of Miss O's property and the purchase of the new property completed on the same day in late September 2024. However, Miss O didn't port – or apply to port – her Halifax mortgage at that point. The purchase was funded by a mortgage from a different lender,

It was only when Miss O had an appointment with a mortgage adviser in early November 2024 that she was told there was a problem. Halifax doesn't offer re-mortgages when the customer has owned the property for less than six months.

Miss O says Halifax failed in its duty to provide clarity around eligibility and the impact of using a different lender for her purchase. She says it didn't take the time to give her full advice around the situation.

If Miss O had met with Halifax's mortgage adviser in mid-2024, they would have asked her about her aims and circumstances, in order to recommend a suitable mortgage (which might well have been to port her mortgage product). This would have identified any problems with the application not meeting Halifax's criteria. But Miss O didn't meet with a mortgage adviser

or start a porting application. While she did phone Halifax, this was to ask specific questions about porting. This didn't include asking how using a different lender for her purchase might affect her eligibility to later remortgage and port her product.

It's not clear to me why Miss O and her partner didn't start a porting application in July 2024, when Miss O had received an offer to buy her property. I think there would have been enough time for them to have a mortgage offer in place for their purchase in late September 2024. But I don't think, based on the available evidence, Miss O's decision not to submit a porting application in mid-2024 was due to Halifax misleading her, or giving her incorrect information. I think the information Halifax gave Miss O, in response to her questions about porting, was clear and fair. It didn't seem from listening to the calls that Miss O had trouble understanding what she was told, or that she had further questions.

Lenders are entitled to make a commercial decision about their lending criteria and policies, and make changes from time to time. I wouldn't expect Halifax to make Miss O aware of all policies that might – or might not – be relevant to her. I think the approach Miss O and her partner took – buying a property with a mortgage from one lender with the intention of immediately re-mortgaging – is relatively unusual and not something Halifax would reasonably have expected.

Halifax didn't tell Miss O about its policy regarding re-mortgage applications prior to her sale and purchase as it didn't know this was what she intended to do.

Miss O contacted Halifax in October 2024 and met with a mortgage adviser in early November 2024, to discuss porting. It was about two hours into the call when the mortgage adviser said there might be a problem, as Miss O hadn't owned the property for six months. The mortgage adviser said he'd thought this only applied when the property had been bought without a mortgage. He said he'd raise the matter internally, to see if an exception was possible.

It was about three weeks later that Halifax contacted Miss O to confirm its policy and that it couldn't make an exception for Miss O. In response to Miss O's complaint, the matter was raised again but Halifax said it couldn't make an exception. It apologised for poor service and paid £80 compensation. I think this is fair and reasonable for the delay in Halifax confirming to Miss O that it wouldn't be able to offer her a mortgage.

Miss O says the policy that a property has to be owned for six months was new and Halifax's staff didn't know about it or understand it. I don't know if that's the case. But it doesn't change the outcome of Miss O's complaint. And while I think it was poor service for Halifax not to confirm it wouldn't be able to offer Miss O a mortgage more quickly, that didn't change the outcome either. It was the fact that Miss O and her partner had already bought the property that meant Miss O couldn't port the mortgage product.

In its final response, Halifax said it hadn't made any errors. It also said "*Although the correct information was provided to you, I believe the colleague ought to have gone in depth more about your circumstances. As our policy states the property must be registered with the land registry and have been owned in your name for at least 6 months.*" I appreciate that Miss O sees this as an admission of fault. But that's not enough for me to uphold this complaint. I can't fairly require Halifax to pay further compensation to Miss O on the basis it should have told her about its re-mortgage policy when it didn't know this would be relevant to her.

I appreciate Miss O will be disappointed. But I think Halifax has done enough to put matters right. I don't think it's fair and reasonable to require Halifax to refund the ERC or compensate Miss O for losing the benefit of the lower interest rate.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 7 October 2025.

Ruth Stevenson
Ombudsman