

The complaint

Mrs D complains about how Santander UK Plc managed her application to take over the late Mr D's mortgage after he sadly died. In particular, Mrs D said Santander delayed her mortgage application, so it dragged on for some months, until she unfortunately lost her job.

What happened

Mrs D told us that the mortgage on the family home was in her late husband's sole name. He sadly passed away in January 2022. Mrs D said she'd secured letters of administration so she can administer her late husband's estate. And she had dealt with the remaining estate, but she was still having problems with Santander.

Mrs D told us she tried to get the mortgage moved into her name, but she said Santander caused significant delays in that. She said she'd been made redundant from her job in September 2023, but she thought the mortgage should already have been in her name by that time.

Mrs D said she'd found other work since, but had problems getting all the hours she wanted. So she hadn't been able to secure a mortgage. She said she'd had to put the property up for sale instead.

Mrs D said Santander had added lots of charges to the mortgage, including for a field agent visit but no one ever visited. She wanted Santander to remove the threat of repossession by pausing its legal action until the house was sold, and she wanted us to look into everything that had happened since January 2022.

Although some of the events set out here occurred before this date, our service has already provided Mrs D with a decision, explaining why we can only consider what happened on this mortgage from 17 May 2023 onwards. I don't propose to reopen that conclusion here.

Santander said that Mr D's mortgage became repayable upon his death, but it was sensitive to the difficult circumstances Mrs D found herself in, so it hadn't been chasing the estate for mortgage payments. It wanted to allow her breathing space to consider her options. Mrs D had started discussions with it to put the mortgage in her name, and its underwriter was looking to consider that sympathetically. But Mrs D hadn't been able to show that she could afford the mortgage.

Santander said that Mrs D had told it in June 2024 that she was going to sell the property, and have a fresh start. The property had been listed for sale at the end of September 2024. Santander said unfortunately, it couldn't allow the mortgage account to remain in the late Mr D's name indefinitely. It said it did now have to take some steps to protect its security, so it had referred the account to its litigation team in July 2024. That was more than two years after Mr D's passing. It then placed all action on hold, while this complaint was being considered by us.

Our investigator didn't think this complaint should be upheld. He said Mrs D's application was already in progress in mid-May 2023, when our service can start to look into things. He

said it looked as if Santander was just waiting for some more information during this time, but this application was then unfortunately put on hold in September 2023 when Mrs D's employment ended, through no fault of hers. The work she secured after that wasn't enough to sustain the mortgage. So even if Mrs D had managed to get the mortgage into her name at this time, the mortgage would have stopped being affordable by the end of 2023.

Mrs D had told Santander in June 2024 that she was going to sell the property. Santander had already suggested it would start litigation before this, and in October 2024, after the property went on the market, Santander wrote again in response to Mrs D's complaint about its management of her mortgage, and the steps it was starting to take to recover the money. Santander apologised then, but didn't uphold her complaint.

Our investigator said Santander hadn't received any mortgage payments for over two years, so arrears had built up. Our investigator said he thought Santander had allowed sufficient time for Mrs D to take steps to resolve issues with the mortgage, and he said that it wasn't unreasonable for Santander to take steps towards legal action now. And he said that those steps did incur costs, which Santander was entitled to recover through the mortgage. Our investigator said he couldn't reasonably ask Santander to just stop its legal action now.

Our investigator explained that our service cannot pay compensation to executors, and he couldn't see that the estate had experienced losses because of what Santander had done. So he said he didn't think this complaint should be upheld.

Mrs D said she hadn't been able to pay the mortgage because it wasn't in her name. Santander told her it couldn't take any payment from her. She said she'd repeatedly sent Santander her payslips, but no one would do anything with them, and then Santander would make the same request again because the old payslips were out of date. Mrs D also said she didn't accept that field agent costs could be added to the mortgage if no agent had been to the property. Mrs D didn't feel we'd done enough to look into what had happened.

Because no agreement was reached, this case then came to me for a final decision. And I then reached my provisional decision on this case.

My provisional decision

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

Before I set out my thoughts on this case, I'd like to explain that Mrs D is going to receive two provisional decisions from me. One will be a complaint in the name of the late Mr D, and one will be in her name.

That's because when Mrs D has been talking to Santander about taking over the mortgage which was in the late Mr D's name, she's been doing two things.

Firstly, she's been trying to resolve the late Mr D's estate. She holds letters of administration appointing her to deal with the estate of the late Mr D, so she's responsible for paying off the debts of the estate and distributing the proceeds of the estate to beneficiaries. So when I'm looking at the debt, which remains in the late Mr D's name, I'm looking at what Mrs D did for the estate.

As our investigator explained, I can't make an award of compensation to the estate. The legislation which allows us to make awards, doesn't let us do that.

But Mrs D was also doing something else. She was also trying, for some time, to get

Santander to consider an application from her. So Mrs D was, for some time, a potential mortgage customer of Santander. (I'm aware that she also held other accounts with Santander, but her complaint here is about trying to get a mortgage in her name.) So I can consider a complaint from Mrs D herself, about the efforts she made to complete a mortgage application with Santander, and the problems she ran into there.

And importantly, if I'm looking at a complaint brought by Mrs D herself and I think Santander did something wrong, I can award compensation to her.

I can't look at things from these two different perspectives – what Mrs D did on behalf of the estate and what she did for herself – in the same decision. They need to be separated out. That's why Mrs D will get two provisional decisions from me.

This provisional decision looks at what Santander did to support Mrs D becoming its customer. And here, I do think Santander did something wrong.

When Santander wrote to Mrs D about her complaint in May 2023, it said it was still awaiting some information from her. Following this, later in May, Santander reviewed Mrs D's case and said it hadn't heard from her with the documents it had requested. On 5 June, Mrs D said she'd been into a branch to supply the requested documents, so Santander noted that it was due to get these. But Santander said they didn't arrive, and I can see Santander notified her of this promptly on 9 June, asking for them again.

Mrs D got back in touch with Santander about a month after that, on 7 July, saying the documents had been sent. Santander said it would call her back.

I've listened to a call on 14 July 2023, where Mrs D said she'd been asked to provide proof that a County Court Judgment ("CCJ") had been paid off. It had, but Mrs D said she couldn't get the paperwork in the exact format Santander wanted. She said she'd uploaded the documentation she did have, and thought this showed the debt was paid.

On that call, Santander's agent appeared to accept this, and to promise her account would be reviewed. But I can't see evidence that it was reviewed.

On 8 August, Mrs D was back in touch again to say that the paperwork had been sent again, and it appears Santander accepted this was received then, but on 18 August Santander asked again for payslips.

On 30 August Santander said all documentation had been received. But then again on 22 September, Santander was asking for more information. It wasn't until 6 October 2023 that Santander said all the documents it needed had been uploaded at the end of September, and Mrs D's application was finally progressing.

Mrs D has consistently said that she uploaded the documentation Santander wanted, but it didn't look at it, then asked her for fresh payslips once the existing documentation was out of date. Santander hasn't offered any alternative explanation for why this application took so very long, and the call recordings I've listened to do seem to me to support Mrs D's argument here. So I think that Mrs D's application was unreasonably delayed by Santander. And I think that caused Mrs D considerable additional work, and some distress.

I think Mrs D was doing this, in part at least, because she was trying to become Santander's customer. So that means I do have powers to award compensation for the distress Santander caused here. I think it should pay Mrs D £500 for unreasonably delaying her mortgage application between May and October 2023.

When Santander did finally get round to considering Mrs D's mortgage application in October 2023, Mrs D had just lost her job.

Mrs D said that if Santander had done everything it should have done, then her mortgage application should have been considered well before she lost her job. Mrs D says she wouldn't have been in the situation she's in now, if that had happened.

I do think she's right to say her mortgage application should have been considered before October 2023. But I can't conclude that it's most likely her application would have been approved. Mrs D had outstanding debts, which she said were why the mortgage was put in her husband's sole name. And, for reasons I'll deal with in my other decision, Mrs D hadn't been making the payments to the mortgage which would have given Santander some comfort that this was going to be affordable for her.

Although I know Mrs D took some steps to pay off debts before her application was going to be considered, I cannot conclude that it's more likely than not Santander would have been likely to offer Mrs D the lending she needed to move this mortgage into her name.

Mrs D's application was then delayed, while Mrs D tried to find new, secure employment. And I can see after this, that although Mrs D was back in work quickly, she struggled to be able to show Santander that she had ongoing, permanent employment which could support the mortgage payments. I don't think that was Santander's fault, and I don't think the delay between October 2023 and Mrs D's eventual decision to put this property on the market in June 2024, was Santander's fault.

For the avoidance of doubt, I don't think the delay between October 2023 and June 2024 was Mrs D's fault either, but my findings above mean I don't think it would be fair and reasonable to ask Santander to pay compensation because Mrs D wasn't able to progress her mortgage application during this time.

But I think it's worth considering the letter Santander sent in October 2024, and the reasons that gives for Santander having decided to move to litigation action. The letter says that in February and March 2024, Santander had tried to ask Mrs D for more information on how her own application was progressing. Santander says it didn't receive a response. However, I've listened to numerous calls which show Mrs D was keeping in touch with Santander about her own application.

I also note that the calls Mrs D had with Santander in June, when she asked how things would be handled if she put the property up for sale, are not at all consistent with Santander having decided in June to refer this mortgage to its solicitors for enforcement action. I think Mrs D relied on the advice she received on those calls, in deciding not to proceed with her own application but to sell the property instead.

I think that this lack of liaison between Santander's debt collection team, and the team considering Mrs D's mortgage application, has caused Mrs D further distress, and Santander should pay a further £250 in compensation for this now.

I invited the parties to make any final points, if they wanted, before issuing my 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.

Santander didn't reply to this provisional decision, although it has replied separately to the linked provisional decision I issued at the same time.

Mrs D replied to both provisional decisions, saying that she didn't agree that my proposals made up for what had happened. She said that she didn't want to leave things here.

Mrs D said that over £23,000 of interest has been added to the mortgage and she could understand why, but she said things really oughtn't to have carried on for this long. She said she thought Santander knew it had made mistakes, and that's why it didn't want us to look right back at what happened at the start. She thought if we had been able to do that, we would have seen that everything had been handled wrongly.

Mrs D said that she'd been told a few times that her mortgage application was actually being submitted, but she said weeks later there was no decision and she was just sent back to the start. She wanted to stress that she wasn't able to pay any of the mortgage payments. Santander wouldn't let her as the mortgage wasn't in her name. And Mrs D said when she'd tried to complain earlier, she was just fobbed off.

Mrs D said this had affected her life for the last three years, as she couldn't settle in her home or move on. She said she blames Santander for that, she felt she would have come to the decision long ago about selling the property, if she hadn't believed there was a chance for her to take on the mortgage. She said Santander was still saying she could restart her application, even at the very last stage.

Mrs D said the problem wasn't her affordability, it was just no one could be bothered with her application, and her case was repeatedly just passed on to a different handler. She said that all this had caused her stress, depression, anxiety and panic attacks. She wanted us to advise her what she could do next.

As our letters to Mrs D have explained, she's at the final stages of our decision-making process. All that I am able to do at this stage is to reconsider her complaint, in the light of the additional comments she has now made. I'm not able to advise Mrs D more widely on other steps she may wish to take.

I have reviewed Mrs D's case, bearing in mind her comments above. I'd like to start by saying that I appreciate that this has been an extremely difficult time for her, with a bereavement and then the loss of her job not long after. So I appreciate that any failings on Santander's part have come on top of the already considerable challenges she had to deal with.

Mrs D wanted us to look back at what had happened from the very start. She felt Santander wasn't letting us do that because it had something to hide. I explained in my provisional decision that our service has already set out for Mrs D, in separate correspondence, why when we're considering her complaint about how long her mortgage application took, we cannot look back further than 17 May 2023. I said then that I don't propose to reopen the earlier conclusion here, and I'd ask Mrs D to refer back to that correspondence for the full reasons why we can't deal with these earlier events.

But we can look at what happened after that, and I have done so. I've set out above where I thought Santander had made mistakes in progressing Mrs D's mortgage application, and I've made an award of compensation for that.

I appreciate that it wasn't Mrs D's choice not to make payments towards the mortgage. I think that point ought to be addressed in the complaint brought on behalf of the estate, so I'll respond to that point in full in that decision.

I also appreciate what Mrs D says about the unsettling and distressing effect of continuing to live in this home without knowing if she will be allowed to take on the mortgage. So I can understand why she says she would have preferred it if Santander had been more honest about her chances of obtaining a mortgage in her own name, much earlier. But I also think it would have been possible for Mrs D to have taken this decision sooner, particularly when she had difficulties finding secure employment. So I don't think Santander is solely to blame for that delay.

For the above reasons, I haven't changed my mind. I still think that a payment of £750 provides a fair and reasonable outcome to this complaint. So I'll now make the decision I originally proposed.

My final decision

My final decision is that Santander UK Plc must pay Mrs D £750 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 28 July 2025.

Esther Absalom-Gough
Ombudsman