DRN-5673052

The complaint

Mr R complains that, although Santander UK Plc reassured him that it wouldn't put a new lower interest rate deal on the mortgage he holds jointly with another party without his agreement, it did then allow a new rate to be applied without his signature.

What happened

Mr R has a joint mortgage with Santander. Mr R brings this complaint alone, and in the circumstances of this particular case, our service has agreed that we can consider it.

Mr R said he and the other party named on the mortgage are separated, and a court was resolving the financial arrangements between them. Mr R said around the end of 2024 he'd told Santander repeatedly that he didn't want a new interest rate deal to be applied to this mortgage. Mr R said he wanted the property to be sold, so that he was able to purchase a new property for himself and his family, and he couldn't do that while he remains named on this mortgage.

Mr R said Santander had reassured him that it wouldn't put a new mortgage deal onto this mortgage without his agreement. But then in early 2025 it made this change anyway.

Mr R said that meant the house wouldn't be sold for the period of this new mortgage deal, at least. While he remains named on this mortgage, he wouldn't be able to take on a new mortgage, and would have to keep renting. He wanted Santander to pay him the rent he would now have to pay during this time.

Santander accepted that it had given Mr R reassurances that there would be no new deal applied to this mortgage without his consent, but then had applied a new deal to the mortgage. It said its previous decision not to allow a new rate had been overturned, as an exception, and taking into account that Mr R wasn't paying the mortgage. It had allowed this as it didn't want to cause potential financial difficulties on the account.

Santander said what it had done wouldn't impact on the sale of this property. It said it had waived the Early Repayment Charge ("ERC") which would usually be part of this mortgage deal, so there would be no charge if the house was sold before the end of the deal.

Santander said it was sorry Mr R had been told the deal wouldn't be applied, when that wasn't what happened. It paid him £50 to say sorry for this, and offered a further £100 which Mr R declined.

Our investigator didn't think this complaint should be upheld. He said Santander does have a policy allowing it to make exceptions, and change a mortgage on the basis of a single signature, where that doesn't adversely affect the other party's financial position. And he thought Santander had taken steps here to make sure the other party wasn't directly affected by the changes to the mortgage. Our investigator said the borrowers weren't locked into this product for the period of the new mortgage deal, because Santander had waived the ERC. So there were no barriers to exiting the mortgage, if any financial settlement set out that the property needed to be sold or the mortgage needed to be redeemed.

Our investigator said he didn't think Santander had acted unfairly in making changes to the mortgage. He said Mr R might want to take outside financial or legal advice over the position of the mortgage. But our investigator said Santander had made a mistake, by telling Mr R it wouldn't allow these changes to go ahead. He thought Santander should pay Mr R a total of £200 in compensation for that.

Santander accepted this view, but Mr R didn't. He said a family court judge had now decided the mortgaged property wouldn't be sold for at least two years. Mr R said that effectively kept him in a position where he couldn't access his money in order to move on with his life. So he was still forced to rent another property to house himself and his family.

Mr R said renting for the next two years would be so expensive that he didn't think he'd be in a position to buy another property by the time this one was sold. And he said that happened because of what Santander did. So he wanted Santander to pay the rent he would have to cover for the next two years.

Our investigator didn't change his mind. He said he couldn't comment on the findings of the court, but he could say that what Santander had done didn't prevent a sale, or make a sale more expensive. He didn't think what Mr R told us had changed the position.

Mr R wanted his complaint to be considered by an ombudsman, so it was passed 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 acknowledge that Mr R would have been greatly disappointed when a new interest rate was applied to this mortgage. He contacted Santander a number of times to make sure that didn't happen, and was reassured it wouldn't. So I understand why he feels Santander let him down.

I note that Santander has also accepted this, and it's agreed to pay a total of £200 for the disappointment that Mr R would naturally feel. I think that provides a fair and reasonable outcome to this part of Mr R's complaint.

But Mr R says that Santander should do much more, because he says he's now got to pay rent for another two years, before there's any prospect of the property being sold. He's told us that this is a result of a family court decision, which defers the sale for that long.

I'm sorry to have to tell Mr R that I don't think it would be fair and reasonable for me to ask Santander to pay the amount he wants. That's because I don't think that it's Santander's fault that this property apparently won't be sold for another two years.

Although I haven't seen the decision of the family court here, Mr R has been very clear that this is the effect of the court judgment. I don't know the detailed reasons for that judgment, but I can't say that judgment is a result of what Santander did. It had been clear, well in advance of the date Mr R told us this hearing happened, that there were no barriers to the sale of this property during the time the new mortgage deal is in place, because it has waived the ERC that it would normally ask its customers to pay during this period.

I understand that the new mortgage deal isn't what Mr R wanted, but I don't think Santander acted unfairly or unreasonably by ensuring that the party to this mortgage who is making the mortgage payments, could continue to afford that mortgage. The decision on the future of the property was then taken by a family court. I don't know why the family court reached this decision, but I haven't been able to link it to what Santander did.

I know Mr R will be disappointed, but I don't think Santander has to do more than pay Mr R the total of £200 in compensation which I understand it has agreed to pay. Santander can count the previous payment of £50 that it offered towards this amount, only if it can show the cheque it sent to Mr R has been cashed.

My final decision

My final decision is that Santander UK Plc must pay Mr R a total of £200 in compensation. Santander UK Plc can count the previous payment of £50 that it sent Mr R towards this amount, only if it can show the cheque it sent to Mr R has been cashed.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 3 October 2025.

Esther Absalom-Gough
Ombudsman