

## **The complaint**

The estate of the late Mrs E complains that Skipton Building Society wrote to Mrs E's executor, telling him he could take out a new fixed interest rate product on the late Mrs E's buy to let mortgage. But when the executor tried to do this, Skipton said it wasn't possible.

Mr E, executor for the estate of the late Mrs E, brings this complaint on behalf of the estate.

## **What happened**

Before she sadly passed away in 2021, the late Mrs E held a buy to let ("BTL") mortgage with Skipton, in her sole name. Mrs E bequeathed this property to two people, one of whom is a minor.

On her death, Mr E contacted Skipton to inform it of this. Skipton has shown us that it discussed the position of the mortgage with Mr E some months after Mrs E died, and then again in late 2024.

Skipton said its position here has always been the same. This mortgage belonged to the late Mrs E. Now that she has passed on it's treated in the same way as all mortgages after the borrower dies. It becomes a liability of the estate and should be repaid from the proceeds of that estate. So Skipton can't just transfer the existing mortgage to someone else. And unfortunately it can't offer a new mortgage on this property to someone other than the late Mrs E, because the property is now partly owned by a minor who can't legally enter into a mortgage agreement with Skipton.

So this mortgage fell due for payment in 2021. Skipton said it hadn't been pressing the estate to pay the mortgage off, but again, like all mortgages that have fallen due for repayment, Skipton wouldn't allow a new fixed interest rate deal to be taken out on this mortgage. Skipton has shown our service that in late 2024, it responded to a complaint from Mr E that it would not allow a new fixed interest rate on this mortgage, once the existing rate expires.

The existing fixed interest rate, taken out by Mrs E before she died, was due to end on 31 March 2025. Unfortunately, Skipton made a mistake about this, and wrote to the executor of the estate, Mr E, on 7 March 2025 inviting him to take up a new fixed interest rate on the mortgage. When he tried to do this, he was unable to do so.

Mr E, as executor, complains that Skipton won't allow him to take out a new rate. He said that putting this mortgage onto Skipton's standard variable rate ("SVR") will mean it's no longer affordable, and the property will need to be sold. Mr E said that wasn't in line with Mrs E's wishes. And he said that having to deal with this had caused a tremendous amount of suffering, as he'd had to go through all his late wife's files.

Mr E said if the 7 March 2025 letter was a mistake by Skipton, then it should either honour the offer of a new rate, in line with that letter, or compensate him for the difference between the five year fixed rate he would have selected, and the new monthly payment on the SVR.

Skipton says the letter of 7 March 2025 suggesting that Mrs E's executor could take out a new rate on her mortgage, was a mistake. It has apologised for this, and paid Mr E £150 in compensation, to recognise the upset this would have caused him. It also told our service that it had taken steps to make sure this mistake cannot happen again.

But Skipton said the position remains as it has previously set out for Mr E – he, as executor, cannot take out a new rate on this mortgage.

Our investigator didn't think this complaint should be upheld. She explained that this complaint is brought by Mrs E's estate, and that places limitations on what our service is able to do. So she explained she wouldn't be able to award compensation for trouble and upset caused to the estate. She understood that Skipton had compensated Mr E for poor service, but our service cannot do that.

Our investigator explained that all she could consider, is whether Skipton's actions had a financial impact on Mrs E's estate. And she said Skipton had explained why Mr E wasn't able to make changes to the mortgage, including putting a new fixed interest rate deal on the mortgage. So she said Skipton had made a mistake, by sending its letter of 7 March 2025, but this didn't have a direct financial impact on the estate, because the mortgage wasn't eligible for the new mortgage deal, which this letter mistakenly offered. She appreciated this letter would have been frustrating, and led to disappointment, but said it didn't override Skipton's established approach. She said she couldn't fairly ask Skipton to do more here.

Mr E replied, on behalf of the estate, to object. He said we hadn't taken his position as a bereaved person into account, or allowed for the emotional distress he had been forced to relive. He listed further failings of Skipton which he said compounded his distress, and said he couldn't see how we would think a payment of £150 was suitable compensation in these circumstances.

Mr E maintained the correct decision would be for Skipton to honour the product that it was offering, or for the compensation to match the difference between the two products.

Our investigator explained again that our service has to work within the limits of our powers, and we can't compensate executors personally. She referred Mr E to our service's published statements on this, and said we aren't able to award compensation to Mr E for trouble and upset he'd experienced.

Mr E wrote again, to say he didn't think we'd understood. He said he was also a beneficiary under the will, and the letter was sent to his address. He said this was very simple, and the solution was to either honour the product or compensate for the extra costs that being on the lender's SVR would incur.

Our investigator wrote again, to say that our service was able to deal with Mr E's complaint as he was the executor of the late Mrs E's estate. But as such, he's unfortunately not eligible for compensation when he's dealing with matters of the estate.

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'm sorry to have to tell Mr E that our service cannot make a payment of compensation to him, for the

upset that this matter will have caused him. And I have not been able to see that the estate has suffered a financial loss here. I'll explain the reasons for each of these points below.

The complaint before me, is brought by Mr E in his capacity as executor of the late Mrs E's estate. The rules of our service allow us to consider this complaint, but they do place limitations on what we are able to do. Our service cannot pay compensation to an executor, for any trouble and upset they may have experienced in administering an estate.

That limitation is part of the underlying law that empowers our service to make awards of compensation. So I cannot change that for Mr E. No one at our service can. When he is acting as an executor, we are just not allowed to take his understandable distress into account in our awards.

Because of this limitation on what we can do when Mr E acts as an executor, I've also considered whether Mr E could complain personally, in his own right. But he isn't the mortgage holder, so although I understand he either holds or has held other accounts with Skipton, he doesn't have the required relationship with Skipton for the purposes of this complaint. Our service would not be able to consider a complaint brought by Mr E personally, rather than as an executor.

Mr E said we hadn't taken his distress into account, and that £150 was nowhere near enough for what had gone wrong. So I would like to be very clear that my decision here isn't that the payment Skipton has made, is enough to make up for what went wrong. Like our investigator, I'm not making any sort of a value judgment on what would be appropriate compensation in this case. My decision is just that our service isn't able to award Mr E any compensation for what went wrong here.

I can look at whether the estate has suffered a direct financial loss because of what Skipton has done, in sending a letter on 7 March 2025. But I haven't been able to see that the estate is worse off, because of this letter. I think Skipton was right to say this was a mistake, and to recognise the overall position that this mortgage is in the name of the late Mrs E. So upon her death that debt became payable out of her estate. Skipton hasn't been able to help Mr E to take the mortgage on himself, for the reasons set out above, and it won't allow a new fixed interest rate on a mortgage which has already fallen due for payment.

I don't think it's unreasonable for Skipton to say it won't let the executor of Mrs E's estate put a new fixed rate onto the mortgage now. That would be likely to mean an Early Repayment Charge was due if the mortgage was paid off before the end of the fixed rate period, and the mortgage is due for payment now. I know Mr E fears this means he will have to sell the house, which he says doesn't recognise Mrs E's wishes. But I can't say Skipton's position on the mortgage is unfair or unreasonable.

So I'm satisfied that Skipton's letter of 7 March 2025 was a mistake. I've explained I cannot take the impact of that mistake on Mr E personally, into account here. And I can't see that this mistake has caused a direct financial loss to the estate.

I understand this decision will be deeply disappointing to Mr E, and I'm sorry to have to tell him that, given the limitations on this service's powers, this complaint won't be upheld.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mrs E to accept or reject my decision before 29 September 2025.

Esther Absalom-Gough  
**Ombudsman**