

The complaint

Ms W says Santander UK Plc treated her unfairly when the term of her interest only mortgage expired.

The mortgage is in joint names with Ms W's ex-partner (who I'll refer to as Mr W). Mr W isn't party to this complaint because there's a dispute between Ms W and Mr W. For ease, I'll refer to the mortgage as "Ms W's mortgage", except where the context requires me to refer to Mr W.

What happened

The term of Ms W's mortgage expired in December 2019. There was an outstanding balance of about £23,500. Ms W made payments in addition to the monthly interest which reduced the debt owed. About £18,000 remains outstanding.

There's a dispute between Ms W and Mr W. In mid-2023 Ms W told Santander there was a court order regarding the sale of the property and how the net sales proceeds would be split between Ms W and Mr W.

Santander started recovery action in April 2024. It put holds on recovery action to December 2024. It passed the matter to solicitors in mid-2025.

Ms W says Santander refused to take capital repayments which would have allowed her to reduce the balance. Ms W asks that Santander stops legal action and allows her to make capital repayments while she arranges the sale of the property. The property has been on the market since early 2024. Ms W would like more time to sell the property. Ms W told us about her health problems and how this matter has impacted her.

Our investigator said Santander had acted fairly and considered what options were available. He said it seemed there was no solution to repay the balance other than through the sale of the property. Our investigator said it was fair and reasonable for Santander to start legal action given the mortgage term expired in 2019.

Ms W didn't agree. She said the complaint is about more than the repossession action. It's about the way she's been treated and misinformed and she doesn't think we could have investigated this in such a short time.

Ms W told us she'd raised a number of new complaints with Santander.

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.

Our rules say we can only look at a complaint once a respondent (here that's Santander) has been told about the complaint and had an opportunity to respond.

Ms W contacted us in September 2024. She was worried that Santander was going to

repossess the house. She said Santander hadn't allowed her to make monthly payments and had told her she'd need to repay the whole debt or have an offer on the property to avoid repossession. We told Ms W that to progress the matter we'd need evidence of the complaint Ms W said she'd raised with Santander.

Ms W contacted us again in May 2025. She said Santander started action to repossess the house in early 2024, even though she was marketing it for sale. She said Santander wouldn't let her repay capital with her monthly payments. Ms W says Santander told her she had to repay the full amount to avoid repossession.

Ms W said Santander switched her mortgage from repayment to interest only in early 2024. She says it told her that to get monthly repayments re-instated she'd have to apply for a mortgage in her sole name – but then told her this wasn't affordable and that the property title would have to be in her sole name. Ms W said the other options Santander offered – such as making lump sum overpayments – didn't work because of her health conditions.

Ms W said Santander hadn't contacted the other party to the mortgage who didn't care if the property was repossessed. She says it was unfair for Santander to suggest putting the mortgage in her sole name, as this would mean she'd be responsible for the mortgage and her ex-partner would get the benefit of this when the property is sold.

These are the complaints that I'm considering here.

Capital repayments

When the term of Ms W's mortgage expired in December 2019, the mortgage had arrears of about £3,600. The arrears and some of the balance were repaid from an endowment policy. About £23,500 remained outstanding. Ms W says this reduced to about £18,000 as a result of her monthly payments. On this basis, she says she had a repayment mortgage.

Santander says the mortgage was on interest only terms. It says the balance reduced because Ms W made overpayments from time to time.

Ms W's mortgage was taken out with another provider that became part of the Santander group. Santander updated its systems in early 2024. As a result Ms W's direct debit changed. But Santander didn't change her mortgage from repayment to interest only. The outstanding balance of the mortgage was always on interest only terms.

Ms W says she wanted to make capital repayments in addition to paying interest each month. She was required to pay more each month under a court order related to the marital dispute. Ms W says she could have reduced the debt by up to about £4,000 each year.

Santander said Ms W only needed to pay the interest. It said Ms W could make overpayments, put the money aside and make lump sum payments or call and make additional payments over the phone. Ms W says her health conditions make planning and budgeting difficult. But I can't fairly find that Santander should have taken higher payments each month by direct debit. It assessed a repayment mortgage as not affordable for Ms W. And comments Ms W made – for instance that her family would help her with the payments, and that she couldn't pay her bills – could suggest higher payments might not be affordable.

In the circumstances, I don't think it was unfair for Santander to suggest ways in which Ms W could make capital repayments other than it taking them by direct debit.

Ms W said that Santander called her each month about the account. She could have made a payment at that time, or asked to be transferred to the relevant team to do so. She could

have set up a standing order to make additional payments or to put money aside. She could have made additional payments as and when she had funds available. I can't fairly agree that Santander didn't allow Ms W to make capital repayments.

Ms W says Santander told her that making overpayments would be pointless as this wouldn't stop the re-possession process – a comment she found upsetting and frightening. I don't think that was Santander's intention. I think it was fair for Santander to make it clear that it needed evidence of an agreed sale before it would hold possession action, or for the balance to be repaid in full.

The suggestion Ms W take out a mortgage in her sole name

Ms W said to get repayments re-instated Santander told her she had to apply for a repayment mortgage in her sole name. Ms W wanted the mortgage to have a six-year term and Santander said this wasn't affordable for her. Ms W says it's irrelevant whether the mortgage has a six-year or 10-year term as she intends to sell the property within a couple of years.

Rules on mortgage regulation require mortgage lenders to carry out strict affordability tests before agreeing to offer or vary a mortgage. Before offering Ms W a mortgage (or agreeing to vary the existing mortgage by changing the expiry date, repayment method or removing one of the parties) Santander had to assess whether this was affordable. I can't fairly find that Santander made an error or acted unfairly when it assessed affordability, or declined to offer a repayment mortgage to Ms W when it assessed this as not affordable.

There might have been a further problem in that Mr W would have had to be taken off the property title before Santander would put the mortgage in Ms W's sole name. He might not have agreed to this, or might have asked that a share of the equity was paid to him first. Ms W would have needed to consider or take advice about how this might affect any determination about how equity in the property is shared between her and Mr W. But I don't think it was unfair for Santander to explore possible options with Ms W, which might have allowed her to remain in the property and avoid possession action.

Taking action for possession

The mortgage term expired in December 2019. In January 2024 Ms W told Santander the property would be sold. She said this was the only option. She told us the court had ordered that the property be sold (this related to the marital dispute).

Ms W told Santander she had a complaint with the legal ombudsman related to the dispute with Mr W. Santander held action until March 2024 while this was looked into. It held action again in March 2024 while the property was marketed for sale and Ms W went to court regarding the dispute. Santander held action for three months from late May 2024 to give Ms W more time to sell the property and in response to what she told it about her health. The hold on action was extended to December 2024. Santander told Ms W that she'd need to provide proof of a sale for it to continue to hold possession action.

In May 2025 Santander sent a letter before action and passed the account to solicitors. While I understand how upsetting this is for Ms W, I don't think it's unfair for Santander to start legal action. Ms W didn't meet Santander's affordability assessment for a mortgage in her sole name. Ms W told us in September 2024 that she didn't meet criteria for an equity release mortgage. In January 2024 Ms W told Santander that selling the property was the only option. The property had been marketed for sale for nearly 18 months (with a short break while improvements were carried out) and hadn't sold. By mid-2025, it was more than five years since the mortgage term had expired and Ms W hadn't provided evidence of a

credible plan to repay the mortgage within a reasonable time.

Ms W says Santander calls each month to check on the sale of the property with a constant threat of repossession. I can understand Ms W found this upsetting. But I don't think it's unfair for Santander to maintain contact about the sale of the property.

Ms W says there are problems progressing the sale, as she needs agreement from Mr W (for instance to appoint estate agents). Santander offered information about a voluntary surrender. Ms W can consider whether this might be an easier route to achieve a sale of the property.

Did Santander take Ms W's circumstances into account?

Ms W told Santander about her health problems and that she was a victim of abuse.

Ms W has to correspond with her ex-partner about the sale of the property. I appreciate the difficulties if, as Ms W says, Mr W refuses to sign the necessary documents for the sale of the property. But these problems arise due to Mr W being a joint owner of the property, and not because of any error by Santander.

Having read Santander's notes, I think it did take Ms W's circumstances into account. It looked into possible options – such as Ms W taking out a repayment mortgage in her sole name. It held legal action through 2024 to allow Ms W time to sell the property. It said it could speak to a family member under a letter of authority if Ms W found this easier. Santander offered information about a voluntary surrender, which is an option Ms W can also consider.

The mortgage account is in joint names. That means both parties are jointly and severally liable for the debt. Either party can make payments. If the mortgage remains unpaid Santander can take possession of the property in order to recover the debt.

From what Ms W says, there's a dispute between her and Mr W about how they share the equity in the property. Ms W says that options suggested by Santander – such as putting the mortgage in her sole name – would be to her detriment. She wants Mr W to repay half of the outstanding balance.

How Ms W and Mr W share the cost of repaying the mortgage debt and the equity in the property is for them – not Santander – to determine. It seems this is or was the subject of court proceedings. I don't think it was unfair for Santander to suggest Ms W apply for a mortgage in her sole name. If this had been affordable, it might have allowed her to stay in the property and avoid possession. It's not for Santander to advise Ms W as to how this might fit in with any agreement – or dispute – with Mr W.

Hold on legal action while Ms W's complaint was looked into

Lenders often agree to hold recovery action while a complaint is with us. However, we can't require them to do so. Santander told Ms W in June 2025 there was a hold on action.

A court hearing was scheduled for late July 2025. Santander's solicitors wrote to the court in mid-July 2025 to ask that the possession proceedings be adjourned generally with liberty to restore, and that they not attend the hearing to save costs.

Ms W provided a copy of a possession order issued in late July 2025. This says the defendant is to give possession on or before late January 2026, adjourned generally. Ms W is concerned that the hearing went ahead without her being able to attend to defend the

claim, and that she'll incur additional costs.

Ms W says she raised complaints with Santander about this and other matters. Santander will now investigate and respond to Ms W's complaints. It wouldn't be fair for me to comment on these issues before it's had an opportunity to do so.

What happens now?

Santander apologised for a letter addressed to Mr W being sent to Ms W's address. It said this was an error and its systems had been corrected. It paid compensation for the upset caused.

Santander paid £30 for not responding in writing to Ms W's complaint after giving her the outcome on a call. I think that's fair.

Santander isn't responsible for Ms W's circumstances, her dispute with Mr W, or her health problems. As I said, I don't think Santander made an error or treated Ms W unfairly when it took interest only payments or when it started action for possession. I don't think it's fair and reasonable in the circumstances to require Santander to hold legal action, pay further compensation or take further steps regarding this complaint.

Ms W says she has ongoing issues with Santander. She's raised further complaints while the complaint has been with us. While I understand Ms W's frustration, I can't fairly add issues to this complaint. That wouldn't be in line with our rules and wouldn't be fair to both parties.

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 Ms W to accept or reject my decision before 24 September 2025.

Ruth Stevenson
Ombudsman