

The complaint

Mr C is complaining about the actions of Santander UK Plc because they paid £4,717.42 to the housing association (HA) on Mr C's behalf without his consent. Mr C said his property has been uninhabitable since 2022 due to sewage flooding caused by the HA's negligence.

Mr C is being represented on this complaint but for ease, I will refer to Mr C throughout.

What happened

Mr C has a mortgage with Santander with the HA acting as his landlord. Mr C has said that in October 2022, his property suffered sewage damage due to negligence in maintenance by the HA. He said it was agreed that he would be exempt from rent payments towards the property until the situation was addressed.

On 3 February 2025, Santander paid over £4,000 to the HA towards rent arrears and Mr C said that Santander did this without his permission and should never have paid it due to the issues he was having with them.

Mr C contacted Santander and said they should refund the payment. Santander said the HA sent them a letter on 22 January 2025 informing them that Mr C was in arrears by £4,717.42. It was noted that Mr C had also been sent a letter about this on 3 December 2024 of notice that the HA will seek a possession order. Santander said they wouldn't refund it.

Mr C wasn't happy about this, so he brought the complaint to the Financial Ombudsman Service where it was looked at by one of our investigators. The investigator didn't uphold the complaint and said that Santander acted in line with the terms and conditions by making the payment to HA. He also said that he couldn't see any evidence to suggest that Santander was told that the property was uninhabitable, so he didn't think they had done anything wrong in making the payment.

Mr C didn't agree and in summary made the following comments:

- Mr C explicitly contacted Santander and informed them that his flat was uninhabitable due to severe sewage flooding caused by HA's negligence. Mr C demands that we locate this telephone call as this confirms Santander's prior knowledge of the situation.
- Santander only sent a letter to Mr C letting him know that they had been contacted by HA but didn't contact him by telephone instead.
- Because of Santander's gross negligence in not contacting him by telephone and only choosing to send a letter to Mr C is a breach of their duty of care.

The investigator contacted Santander to ask them for call recordings where Mr C told them the property was uninhabitable. Santander responded with two call recordings but nothing to evidence that Mr C had told them about the property and the issues he was having. So the investigator didn't change his opinion.

As Mr C didn't agree with the investigator, the case has been passed to me to decide.

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.

Having looked at everything carefully, I agree with the outcome reached by the investigator, and I'll explain why.

Although I've read and considered the whole file, I'll keep my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

The first thing to point out here, is that Mr C has made several arguments about what has happened, and I appreciate that this has been very difficult for him. I have thought carefully about everything he has told us but I am only looking at the actions of Santander in this decision. I understand he has said he is having issues with the HA – but I am not looking into any aspect about the HA in this decision as they do not fall within our jurisdiction.

From what Mr C has told us and having looked at the evidence he has provided, he moved out of his property in 2022 due to it becoming uninhabitable due to sewage flooding. Mr C has said that he didn't make any payments to the HA until the matter was resolved. I don't know if this was agreed or not but it's not something that I am considering in this complaint.

Santander's terms and conditions state that it was Mr C's responsibility to ensure that all payments in conjunction with the property are made.

Section 22.1 (e) states *"You will promptly pay all rates, taxes, and other payments which are the responsibility of the owner or occupier of the property"*.

Section 31.3 states *"We may also charge you a fee to recover any other costs and expenses we reasonably incur in connection with the mortgage, including (but not limited to) the costs and expenses we incur in taking action to:*

- 1) Preserve, protect or enforce our security;*
- 2) Recover any of the money you owe us;*
- 3) Bring or defend any legal proceedings (whether or not you are party to them)".*

Based on these terms and conditions, I am satisfied that Santander were allowed to pay the rent arrears to the HA and applying it to Mr C's mortgage balance. I've then gone on to think about whether Santander applied those terms fairly when they took this action.

Before any lender pays their customer's rent arrears or any outstanding amount that is owed, we would expect them to notify them before they take any action. Santander sent Mr C a letter on 12 December 2024 after they received a demand of payment from the HA along with a Notice of Seeking Possession. They gave Mr C 10 days to respond to the letter before they paid the amount to the HA.

HA can apply for possession under section eight of the Housing Act 1998 – the Notice of Seeking Possession allows the customer 28 days to remedy the breach, and this gave Mr C until 5 January 2025.

Santander sent the letter to Mr C at his property address, but Mr C has said he hasn't lived there since 2022. So Mr C says he never received the letter.

On 2 January 2025, Santander wrote to the HA to see if the arrears had been paid as they didn't hear anything back from Mr C. They received a response on 27 January 2025 confirming that no payment had been made so Santander then paid the outstanding balance on 3 February 2025. Santander were entitled to make this payment to protect their security.

Mr C has argued that he had made it very clear beforehand to Santander that the property was uninhabitable and many of the points he has raised since the investigator sent his opinion on the case surround this specific point. He says that Santander were aware of the issues he was having which as far as Mr C is concerned, would mean they should never have made that payment.

Our investigator asked Santander for call recordings to see if this was the case, but Santander have not been able to locate any of the telephone calls. Having gone through the contact notes, I have seen a note from 13 January 2023 which says, *"we don't need to be made aware of repairs being done by the housing association"*. This persuades me that Mr C did have a conversation with Santander about the property but based on this limited call note, it's not clear to what extent.

We went back to Santander to ask them about this note and to provide us with a call recording, but they have been unable to locate it.

While it's now clear that Mr C did in fact have some sort of conversation with Santander, I've thought carefully about whether this changes anything – and I don't think it does.

Mr C has said his property was uninhabitable and he agreed with the HA not to make any payments to them until they resolved the issue. Even if Mr C told Santander this, it doesn't take away Santander's obligation to protect their security.

Santander were sent a notice of possession from the HA and contacted Mr C about this before any payment was made but they didn't hear back from him. I can't agree that Santander did anything wrong in making that payment. Even if they knew about Mr C's situation to the extent that Mr C says they did – Mr C's property was still at risk due to the outstanding amount to the HA that he didn't pay. That dispute is between Mr C and the HA and has nothing to do with Santander. As per the terms and conditions of the mortgage, Santander need to protect their security and Mr C – so they made the payment. I don't think they have done anything wrong here.

In addition to this, having gone through the contact notes, I can't see that Mr C has given Santander any new address for them to contact him at. And Mr C also explained to the investigator that he didn't give them a new address either. So, I don't think it's unreasonable that Santander continued to write to Mr C's property address.

Mr C argues that Santander should have tried to telephone or text him rather than just send a letter to him. Santander are not obliged to contact any of their customers by telephone or email. As long as they sent a letter and tried to contact Mr C prior to making the payment – that is enough. And Santander didn't have any other address for Mr C so I don't think their actions are unreasonable. The first time that I can see that Mr C's address had been changed was in March 2025.

I know that Mr C will be disappointed with my decision, and I do appreciate the difficult time he is having, but I am satisfied that Santander have acted fairly and reasonably in the circumstances of this complaint.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 December 2025.

Maria Drury
Ombudsman

