

The complaint

Mr and Mrs H complain that National Westminster Bank PLC treated them unfairly when they applied to port their mortgage. They ask for further compensation.

What happened

Mr and Mrs H had a mortgage with NatWest. They wanted to move nearer to Mrs H's workplace. They had an offer for their property and found a property to buy. They met with NatWest's mortgage adviser in early October 2024 and submitted a porting application. NatWest issued a mortgage offer in early November 2024.

In mid-November 2024 NatWest said the property Mr and Mrs H wanted to buy didn't meet its criteria. It was built recently and didn't have a professional consultant's certificate (PCC).

Mr and Mrs H exchanged contracts and completed their sale in mid-November 2024. They moved into the property they wanted to buy, paying rent to the owner, while they waited for the purchase to complete. They raised a complaint with NatWest about how it had dealt with their porting application. They said they'd made decisions based on the property being acceptable to NatWest and receiving a mortgage offer. They asked NatWest to port the mortgage.

In early December 2024 NatWest confirmed to Mr and Mrs H the property didn't meet its criteria and it couldn't port the mortgage to it. NatWest said Mr and Mrs H could look for another property to buy during the porting window. Mr and Mrs H didn't want to do this, and said they'd apply for a mortgage elsewhere. NatWest said it would refund their early repayment charge (ERC) of about £19,000.

NatWest issued a final response in January 2025. It said it would refund the ERC, pay compensation of £850 for poor service (which includes £100 for the time taken to look into their complaint) and compensate Mr and Mrs H for their rent for 20 days between 14 November and 3 December 2024, with interest. This totals about £21,500.

Mr and Mrs H say this doesn't cover their financial loss (including losing the lower interest rate, rent for several months and taking time off work), stress and disruption.

Our investigator said NatWest's offer was fair and reasonable in the circumstances. He said Mr and Mrs H would likely have been in a similar position if NatWest had told them sooner the property didn't meet its criteria.

Mr and Mrs H didn't agree. They say they told NatWest on 9 October 2024 that the property didn't have a PCC. They say all of the decisions they made after that were entirely based on the assumption, given to them by NatWest, that the property was suitable. They say they wouldn't have sold their property if they'd known they couldn't port the mortgage to the property they wanted to buy. Mr H said by the time NatWest told them the property wasn't suitable it was too late to stop exchange of contracts for their sale, and looking for an alternative property to buy wasn't an option as they'd committed to their purchase.

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 should explain that where the evidence is incomplete or contradictory I make my decision on the balance of probabilities – that is, what I think is most likely.

Mr and Mrs H made a porting application in October 2024. They told NatWest that the property had been built recently and didn't have a PCC. NatWest didn't tell them that this meant the property didn't meet its lending criteria and it wouldn't port to that property. NatWest issued a mortgage offer on 5 November 2024.

Once a mortgage offer is issued, lenders instruct solicitors to complete the legal work required for completion, to ensure the property is suitable security for the loan. NatWest says it follows the UK Finance Mortgage Lenders' Handbook, which says a PCC is required for a property such as the one Mr and Mrs H wanted to buy.

On 12 November 2024 the solicitors asked NatWest if a retrospective build warranty would be acceptable. NatWest responded on 13 November 2024 to say it couldn't proceed without a PCC and a certificate/warranty issued retrospectively wasn't acceptable.

Mr H says this was only hours before they were due to exchange contracts for their sale and the legal process was too far advanced to halt without serious risk. On 14 November 2024 Mr and Mrs H instructed the solicitors to go ahead with exchange and completion. They exchanged contracts on 14 November 2024 and completed on 15 November 2024.

There was further correspondence between NatWest and Mr and Mrs H's solicitor in late November 2024 about what building warranty might be acceptable. NatWest confirmed that it required a PCC and a certificate issued retrospectively wasn't acceptable.

On 3 December 2024 NatWest told Mrs H it couldn't offer a mortgage on the property. It said it needed a PCC and a certificate issued retrospectively wasn't sufficient. NatWest agreed to refund the ERC. This was because it didn't tell Mr and Mrs H sooner that it couldn't lend, and issued a mortgage offer. NatWest issued its final response in January 2025.

Mr and Mrs H say they received a mortgage offer from a different lender, but had to wait for the ERC to be refunded and the outcome of their complaint before completing the purchase. They continue to live in the property and say NatWest should compensate them for the cost of their rent as well as the higher interest they will pay for the new mortgage. They still hadn't completed the purchase in mid-2025. They say they're hoping interest rates will fall.

I think NatWest's offer to put matters right is fair and reasonable in the circumstances. I've explained why below.

The property Mr and Mrs H wanted to buy didn't meet NatWest's lending criteria. That's the reason they couldn't port the mortgage to it, not because of any errors by NatWest.

Mr and Mrs H say from 9 October 2024 all of their decisions were made on the assumption that the property was suitable to NatWest. However, there's no certainty that a lender will agree to lend until it issues a mortgage offer – and even after that the solicitors have to carry out the legal work needed for completion.

NatWest issued a mortgage offer despite Mr and Mrs H giving it information that ought to have alerted it to the property being unsuitable. It ought to have told them sooner that the

property wasn't acceptable.

Mr and Mrs H say if NatWest had told them sooner that the property didn't meet its criteria they'd have made different decisions. I've considered carefully what they said about this. I must also consider to what extent Mr and Mrs H are responsible for the decisions they made after being told that NatWest wouldn't port their mortgage to the property they wanted to buy.

Mr and Mrs H say they wouldn't have sold their property if they'd known they couldn't port to the property they'd found to buy. That seems to me, based on the available evidence, unlikely. Mr and Mrs H wanted to move as Mrs H had a three-hour daily commute. They'd found a school place for their child in the new area. And they chose to go ahead with their sale after being told they might not be able to port to the property they wanted to buy.

Mr and Mrs H say by the time they knew NatWest wouldn't port to the property it was too late to halt exchange of contracts for the sale of their property. Mr and Mrs H were in a difficult position, given they'd made plans to move to a different part of the country within days. But until they exchanged contracts they could have withdrawn from the sale, or at least delayed while they sorted out what to do. Instead, they instructed their solicitor to go ahead with exchange.

Mr and Mrs H say the legal process was too far advanced to halt without serious risk. While they didn't explain what they meant by this, they did say they were concerned they'd lose their buyer if they delayed exchange. But Mr and Mrs H also say they only agreed to sell their property because they expected to be able to port the mortgage to the new property. If so, I'd expect them to be less concerned about the sale falling through if they asked the buyer to delay exchange, while they decided what to do.

Ultimately, if porting (and keeping the lower interest rate product) was Mr and Mrs H's priority, they could have delayed exchange of contracts, or even withdrawn from the sale of their property, while they looked into their options.

Having sold their property and repaid their mortgage, it seems Mr and Mrs H hoped that NatWest would agree to port the mortgage product to the new property, despite the lack of a PCC. However, NatWest reminded the solicitor of the requirement for a PCC in mid-November 2024, and confirmed this again in late November 2024. It told Mrs H on 3 December 2024 that it couldn't port the mortgage to the property. I think NatWest made its position clear.

By early December 2024 Mr and Mrs H knew they had to make a difficult choice. They could look for another property and apply to Halifax to port the product, or proceed with the purchase and apply for a mortgage elsewhere.

Mr and Mrs H repaid their NatWest mortgage on 15 November 2024. They had four months – until mid-March 2025 – to port their mortgage product. Finding the right property can be difficult. But if porting was Mr and Mrs H's priority I'd have expected them to at least try to do this. Instead, Mr and Mrs H told NatWest in early December 2024 they intended to continue with their purchase and apply for a mortgage elsewhere.

Mrs H told NatWest in December 2024 they'd secured a mortgage. She said this was at a higher interest rate than the product they'd hoped to port. Mrs H also told NatWest they needed the refund of the ERC for completion. However, Mr and Mrs H didn't go ahead with the purchase after the ERC was refunded. They told us they are waiting for interest rates to fall. I don't think I can fairly find that the reason Mr and Mrs H didn't complete their purchase with a mortgage from another lender is due to any error by NatWest. I don't think it's fair and reasonable to require NatWest to compensate Mr and Mrs H for their rent payments.

Mrs H says she had to take unpaid leave to care for their child who was unable to start at her new high school. Mr and Mrs H had moved into the property they wanted to buy, which was (presumably) near the new school. It's not clear to me why problems with porting the mortgage prevented Mr and Mrs H's child attending school. I don't think it's fair to require NatWest to pay compensation for Mrs H taking time off work as a consequence.

Mr and Mrs H say the problems originated from NatWest's failure to tell them in October 2024 that the property they wanted to buy didn't meet its lending criteria. I agree NatWest should have told them sooner that the property wasn't suitable. They spent over a month dealing with an application which should not have proceeded. They found themselves having to make a difficult decision whether to go ahead with their sale only a short time before they were due to exchange contracts. It must have been incredibly disappointing to find out at a late stage that they couldn't port the mortgage product to the property they wanted to buy.

But when considering if the compensation paid by NatWest is fair and reasonable, I must fairly take into account that it was Mr and Mrs H's own decision to go ahead with their sale after being told in mid-November 2024 that the property they wanted to buy wasn't acceptable to NatWest. And it was Mr and Mrs H's own decision not to look for a different property so that they could port the mortgage product.

In the circumstances, I think the compensation paid by NatWest is fair and reasonable.

My final decision

My decision is that I do not uphold this complaint. That's because I think the compensation paid by National Westminster Bank PLC is fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H and Mrs H to accept or reject my decision before 16 October 2025.

Ruth Stevenson
Ombudsman