

The complaint

Mr and Mrs B complain that Santander UK plc wouldn't allow them to transfer, or port, their mortgage to a new property, and that the mortgage was mis-sold because they couldn't port it.

What happened

Mr and Mrs B's mortgage with Santander was on a fixed interest rate until September 2024. In August 2024 Mr B phoned Santander to discuss taking a new fixed rate. He told the advisor that he and Mrs B planned to move house in a few months' time, so if they took a new rate they wanted to be able to take it with them. He says the advisor told him this would be no problem, so they went ahead with a new fixed rate product.

Mr and Mrs B took a fixed rate on their mortgage until 2 December 2026. If the mortgage was repaid during the fixed rate period an early repayment charge (ERC) was payable.

In January 2025 Mr and Mrs B contacted Santander again. They had arranged the sale of their property and the purchase of a new one. They wanted to port their mortgage to their new home and borrow an extra £50,000. They made an application, but Santander wouldn't lend them as much as they needed. It said it could only lend around an extra £2,000.

Mr and Mrs B made a complaint. They said they had been misled when they took the fixed rate in August 2024. They also said their financial situation was better than it had been when they originally took out their mortgage with Santander in 2018, so it made no sense that Santander wouldn't lend them an amount they felt they could easily afford.

Mr and Mrs B had to remortgage to another lender to borrow the amount they needed. In March 2025 they redeemed their mortgage with Santander, and in doing so they paid Santander an ERC of just over £2,500.

In response to Mr and Mrs B's complaint, Santander said it had done nothing wrong – it had assessed whether the amount they wanted to borrow was affordable and concluded it wasn't.

Mr and Mrs B referred their complaint to us. Our Investigator didn't think Santander had done anything wrong, so she didn't recommend that the complaint should be upheld. Mr and Mrs B didn't accept that and asked for an Ombudsman's review, so their complaint has been referred 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 done so, while I realise this isn't the outcome Mr and Mrs B were hoping for, I find I can't fairly uphold their complaint.

I've listened carefully to the phone calls Mr B had with Santander in August 2024, when he and Mrs B decided to take a new fixed interest rate on their mortgage. Mr B wanted to discuss his options – his existing fixed rate was ending, and he said he couldn't afford to go onto Santander's follow-on variable rate. He also said he and Mrs B were planning to sell their property and buy a new one, and they hoped either to buy the new property outright without a mortgage or to have a smaller mortgage than their existing one, of perhaps around £80,000. Their mortgage balance at the time was around £130,000.

Santander said around two minutes into the call on 20 August 2024: "all Santander rates are portable, subject to application and underwriting". It reiterated that later in the call. It also told Mr B that if he bought the new property outright and repaid the Santander mortgage in full an ERC would be payable if the mortgage was on a fixed rate at that point. It explained that if the existing mortgage balance were ported no ERC would be payable, and if a smaller balance were ported an ERC would only be payable on the amount repaid.

Mr B spoke to a Santander mortgage advisor the following day. They told him the same thing the advisor had said on 20 August – at around 11 minutes into the call they said: "All rates are portable, subject to affordability and eligibility checks at the time".

This was the right information – the mortgage could be transferred to another property. But only if Mr and Mrs B met certain conditions. That was also set out clearly in the 21 August 2024 fixed rate mortgage offer. At section 8 it said:

"Moving Home

You have the right to transfer this loan to another property. You must meet conditions set out in the mortgage conditions under 'Transferring your loan to a new mortgage'. You must also meet our lending criteria and pass our affordability assessment at the time."

I think Santander made it clear that the mortgage could be ported but this wasn't guaranteed – it would be subject to assessment. I find nothing to indicate that Mr and Mrs B told Santander they might want to borrow more money when they came to move house; they only said that they might want to repay their mortgage in full or reduce the balance, and Santander told them that they would have to pay an ERC if they did either of those things.

Circumstances do of course change, and after finding a new property Mr and Mrs B decided they needed a bigger mortgage. This meant that, under the rules of mortgage regulation, Santander was required to carry out an affordability assessment. I've looked at the assessment it did to decide whether it considered Mr and Mrs B's application fairly.

Santander looked at Mr and Mrs B's income and expenditure. As part of their expenditure it included the running costs of another property Mr B owned. Mr B had explained to Santander that this second property was let to a family member who paid him the cost of the mortgage each month, and this was a long term, stable arrangement. Santander has said that, under its criteria, it treated that property as a second home and 'stress tested' the payments on the mortgage secured on it. It did so to check that Mr B could afford those payments if the interest rate were to increase, in the same way as it stress tested the payments on the larger mortgage Mr and Mrs B wanted to take on their new property.

Lenders are entitled to set their own lending criteria, and these will differ between lenders. They will also change from time to time, to reflect a lender's changing risk appetite and other commercial considerations, including the economic environment. I've noted what Mr and Mrs B have said about their circumstances and in particular that their financial situation is stronger than it was when they originally took out their mortgage with Santander in 2018. But it doesn't necessarily follow that Santander had to lend them as much as they wanted more

than six years later. Santander's lending criteria wouldn't have been the same in 2025 as they were in 2018 – not least because the economic backdrop in early 2025 was very different, with higher interest rates generally. Lenders aren't required to publish all their lending criteria or to notify customers whenever those criteria change, and I wouldn't expect them to do so. Some of those criteria are commercially sensitive and notifying customers of all changes wouldn't be practical.

It's unfortunate that Santander wasn't prepared to lend Mr and Mrs B as much as they needed for their move, and I can understand why they felt they had no choice but to take out a mortgage with another lender and in doing so pay the ERC on their Santander mortgage. But I think Santander assessed their application fairly, and it was entitled to decide not to lend them the extra £50,000 they wanted. It was also entitled to apply the ERC on redemption, as set out in the mortgage terms. And I don't consider that it misled them about the portability of the fixed rate in August 2024 or that it mis-sold them the mortgage. In all the circumstances, for these reasons I find it wouldn't be fair and reasonable for me to require Santander to refund the ERC.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 20 February 2026.

Janet Millington
Ombudsman