

## **The complaint**

Mr O complains that Bank of Scotland plc trading as Halifax allowed the joint borrower to take a new fixed interest rate on his mortgage without his consent.

## **What happened**

Mr O has a mortgage with Halifax. It's a joint mortgage, in the names of him and his former partner. Their relationship has broken down and Mr O no longer lives in the property.

The other borrower asked Halifax for a new fixed interest rate. Halifax agreed and put the mortgage on a five year fixed interest rate.

Mr O complained. He said that he did not want a new interest rate, would not have agreed to one, and one should not have been arranged without his agreement. He had already told Halifax that he would not agree to any changes.

Halifax said it hadn't acted unfairly. It said it believed that the rate switch was in the best interests of both parties, because it reduced the monthly payments and made the mortgage more affordable. It said that because it had put the rate in place based on one party's agreement only, it would not apply any early repayment charge (ERC) should the mortgage be repaid early.

Our investigator said that we couldn't consider the complaint, because only one party to the mortgage had made the complaint. So Mr O asked for an ombudsman's decision. I thought that we should consider the merits of the complaint – but I didn't think it should be upheld. I explained why in a provisional decision.

## **My provisional decision**

I said:

"I don't agree that this is not a complaint we can or should consider. Mr O is a party to the mortgage, and so is an eligible complainant. He is, in fact, the only eligible complainant – only he has made this complaint, and it's not one that would be supported by the other borrower. So I don't think it's right to say that not all eligible complainants have joined the complaint, or that we shouldn't consider it on that basis. This might be a joint mortgage, but that doesn't make it a joint complaint.

However, while I'm satisfied that I have the power to consider the complaint, and that it is appropriate for me to do so, I don't think it should be upheld.

I understand Mr O's upset and frustration that a change was made to his mortgage without his consent. However, I'm not persuaded that he's suffered any detriment as a result.

The new interest rate has made the mortgage payments lower, and more affordable. So there's less risk of the mortgage going into arrears. That means that Mr O has not been prejudiced in terms of his liability as a joint borrower for the ongoing payments.

And while a fixed rate would ordinarily come with an ERC, payable if the rate was ended early (for example, by the property being sold), that doesn't apply in this case. Halifax has confirmed that because only one of the joint borrowers agreed to the new rate, it won't impose an ERC if the mortgage is repaid early. That means that Mr O has not been prejudiced in terms of the potential cost of repaying the mortgage early either. The new rate won't impact the ability of the property to be sold, or the amount of any equity Mr O receives if it is. For the same reason, it doesn't affect his ability to press for the property to be sold as part of any financial settlement following the separation.

Therefore, while I can see that Mr O was concerned to learn that Halifax had made a change to his mortgage without his agreement, I can't see that he's lost out because of it. For that reason, I don't intend to uphold this complaint."

### **The responses to my provisional decision**

Halifax said it had nothing more to add. Mr O said he didn't agree with my provisional decision. He said:

- He wants the property to be sold – and he made Halifax aware of that. Alternatively, he wants to be released from the mortgage. The joint borrower made an application to take it over in her sole name but Halifax refused her application. So Mr O is stuck with the mortgage unless the property is sold. That impacts his ability to move on and pay for his own accommodation.
- He had instructed Halifax not to agree to any new interest rate or change to the mortgage, but it went ahead anyway, disregarding his wishes. That means his rights were not respected and Halifax did not follow its obligations to treat him fairly as a joint borrower.
- By granting a new interest rate, Halifax undermined his ability to press for the property to be sold.
- The new interest rate only benefitted the joint borrower, not Mr O. It keeps him bound to the mortgage for longer than would otherwise be the case.
- As a result, Mr O is now liable for two mortgages – this one, and his own. That has had a negative impact on his life and finances.
- The joint borrower requested a new interest rate to be able to retain the property, despite an agreement between them that the property would be sold. Halifax facilitated her going back on the agreement and undermined his position.
- Changing the mortgage without his agreement is improper and illegal and has caused him significant detriment.

### **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'm afraid I don't agree that Halifax's actions have left Mr O bound to a mortgage he didn't agree to. He did agree to it – it's just that since the mortgage was first taken out his circumstances have changed. But a mortgage is a long-term commitment and there's always a risk circumstances might change during its life. And he also agreed to take on a new

mortgage knowing he was still party to this one.

I do accept that Mr O didn't agree to the new interest rate that Halifax put in place on the application of the joint borrower. But I'm still not persuaded that caused him detriment. He would have continued to be liable for this mortgage and his new mortgage whether or not a new interest rate was in place – but a new interest rate reduces the monthly payments and therefore improves his financial position in terms of his ongoing liabilities. And the new interest rate does not prevent the sale of the property, or increase the costs of doing so, either – because Halifax has confirmed it would not enforce any ERC that would otherwise arise if the mortgage was brought to an end during the fixed rate term.

If Mr O wants to be released from the mortgage, the only ways for that to happen are for the joint borrower to take over this mortgage in her sole name; for her to apply for a new mortgage in her sole name to repay this one; or for the property to be sold. I note that Halifax refused an application for her to take the mortgage over, but the refusal of that application is not something I can consider as part of this complaint. As for any arrangement Mr O may have come to with the joint borrower regarding the property, that's a matter between the two of them and not something either I or Halifax can become involved in. Halifax's agreement to waive any ERC means the new rate does not form a barrier to a sale of the property. If Mr O and the joint borrower can't resolve things between them, that might be something for Mr O to take legal advice about.

I do understand why Mr O is unhappy that Halifax agreed a new interest rate without his consent. But for the reasons I've given, I'm not persuaded it's caused him any actual or potential financial loss or detriment.

### **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 O to accept or reject my decision before 11 November 2025.

Simon Pugh  
**Ombudsman**