

## **The complaint**

Mr M complains that Santander UK Plc has added fees to his mortgage balance, and that it failed to collect a payment despite agreeing to do so.

## **What happened**

Mr M has a mortgage with Santander. He's been in arrears for some time and Santander took legal action, obtaining a possession order. An eviction date was set for May 2023, but Santander agreed not to proceed with the eviction.

In 2024, Mr M contacted Santander to discuss making payments of £350 per month from then on. It was agreed that payments would be made on the fifth of each month and that Santander would adjust the direct debit. Santander wrote to Mr M on 5 September 2024 confirming the arrangement, saying the first payment would be collected on 13 September, the next on 5 October, and then on the fifth of the month thereafter.

However, no payment was collected on 13 September. Mr M contacted Santander to complain. It took a payment that day, and confirmed that payments would be collected from 5 October onwards.

Mr M also complained that around £1,800 had been added to his mortgage balance. He said he didn't know what that was for, Santander hadn't told him anything about it, and he hadn't agreed to anything being added to the balance.

Santander said that the £1,800 was legal fees in respect of the possession order. It had written to Mr M notifying him of the fees, and had added them to the balance in August 2023. It said that it had been too late to collect payment in September 2024 because there wasn't enough time to process the direct debit before the due date. But the direct debit was in place and would collect payments from 5 October. It paid Mr M £250 compensation for the worry and upset caused by that not being made clear to him on the initial call or the subsequent letter, and by confusion in how his subsequent complaint had been dealt with.

Our investigator thought that was a fair way to put things right. She said that Santander was entitled to add the legal fees, and that it had notified Mr M of that at the time. Mr M didn't agree and asked for an ombudsman to review his complaint.

## **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 note that Mr M has asked the investigator for several extensions to the deadline for providing further evidence before the case comes to a final decision. She provided extensions, but then said that he had had a reasonable time and no further extension could be provided.

Mr M still hasn't sent in the further comments he said he would make. I note that he asked

the investigator for a further extension of time. But I also note that he had previously asked for the complaint to be treated as a priority because of the impact on him – so I'm conscious of the need to bring matters to a close as quickly as possible. I've carefully reviewed all the evidence we have, including what Mr M has told us previously. Having done so I'm satisfied I have everything I need to reach a decision, and that it's in the best interests of all parties that I do so without further delay.

I'm sorry to hear of the difficulties Mr M has experienced, including the financial difficulties which led to the possession proceedings in 2023. I'm pleased to note that an agreement was reached and Santander didn't go ahead with the eviction.

Having looked at what happened, I'm satisfied that the £1,800 added to the mortgage balance in August 2023 was the costs incurred by Santander's solicitors in dealing with the repossession proceedings. Santander sent Mr M notice that the costs had been added in August 2023, including a full breakdown of how the fees were calculated. I don't think the fees were unreasonable or out of line with what I'd expect in a situation like that. And the terms and conditions of the mortgage do allow Santander to add its legal costs to the mortgage balance. So I'm satisfied Santander didn't act unfairly here.

In 2024, Mr M came to an arrangement with Santander to increase the amount he was paying each month towards the monthly payment and arrears. There was confusion about when the first increased payment was taken and Santander wasn't clear about that. The payments were actually made in the end. But I can see that the confusion and misleading information caused Mr M upset and led to him having to spend more time speaking to Santander to find out what had happened. Santander has paid Mr M £250 compensation and I'm satisfied that's fair and reasonable in all the circumstances. It reflects that Mr M was caused considerable upset, but also reflects the fact that Santander put things right relatively quickly. I don't therefore require Santander to do anything further.

### **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 M to accept or reject my decision before 5 January 2026.

Simon Pugh  
**Ombudsman**