

## **The complaint**

Ms H complains that National Westminster Bank PLC treated her unfairly when she applied to transfer a joint mortgage into her sole name.

Ms H says NatWest caused delays. The mortgage was on the standard variable rate (SVR), and the higher payments caused her financial difficulties and emotional distress. Ms H asks for compensation of about £10,000 for financial loss and distress.

## **What happened**

Ms H applied to NatWest to transfer a joint mortgage into her sole name. This was in accordance with the terms of a court order related to her divorce. The order also said the proceeds of sale of a second property would be used to reduce the mortgage balance.

Ms H met with NatWest's mortgage adviser in early 2024 to explain her circumstances. NatWest said she didn't meet affordability for the mortgage in her sole name.

Ms H's interest rate product expired in December 2023, so the SVR applied during this time.

Ms H says she was the victim of domestic abuse and continued to suffer financial control and abuse due to her ex-partner controlling the mortgage payments. Ms H says NatWest didn't allow her to take out a new interest rate product or switch temporarily to interest only terms with her consent only (her ex-partner didn't consent). The higher payments caused financial distress, meaning she had to miss meals. Ms H missed a mortgage payment in April 2024 because there were insufficient funds in her current account.

The second property was sold in May 2024 and Ms H made a payment to reduce the mortgage balance. Ms H contacted NatWest in early June 2024 about transferring the mortgage into her sole name. NatWest said her application for the mortgage to be transferred into her sole name couldn't proceed as she failed a credit check.

Ms H received notice of a court hearing. Her ex-partner had applied to have the order enforced, to take his name off the mortgage. Ms H took legal advice and contacted NatWest again in August 2024. She met with a mortgage adviser in September 2024 and NatWest issued an offer to move the mortgage into Ms H's sole name on 10 September 2024. Her application for the mortgage to be transferred into her sole name completed successfully.

Ms H says if NatWest had transferred the mortgage into her sole name in early 2024 she'd have avoided the additional cost of interest at the SVR (which she calculates to be over £6,000), court and solicitors costs, and fees related to the missed payment. Ms H asks for compensation of £3,000 to £4,000 for the distress caused by the ongoing abuse and control by her ex-partner, the additional court hearing, financial hardship, and lack of support from NatWest.

This service has already considered Ms H's complaint that NatWest didn't allow her to take out a new product or switch temporarily to interest only payments under the Mortgage Charter. We can't look into Ms H's complaint that NatWest didn't refer her to its customer

protection team, or that it made an error with her direct debit payment in May 2024. That was because she'd brought it to us more than six months after NatWest issued its final response, which meant it was brought to us outside our time limits. Ms H agreed that the complaint would proceed on this basis.

I sent a provisional decision to the parties to explain why I intended to uphold Ms H's complaint that NatWest caused delays in transferring the mortgage into her sole name. I said it should compensate for costs resulting from this, and the upset caused.

Both parties agreed. Ms H sent information about the costs she says resulted from this.

### **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.

#### *The application to transfer the mortgage into Ms H's sole name in January 2024*

Rules on mortgage regulation require NatWest to check affordability before agreeing to make changes to a mortgage, such as to transfer it into a sole name. There are limited exceptions to this. While the mortgage was in joint names, both parties are jointly and severally liable for the debt. I think it's fair for NatWest to check Ms H could afford repayments before agreeing to move the mortgage into her sole name.

When Ms H spoke to NatWest in January 2024 she didn't meet affordability tests for the full mortgage balance to be transferred into her sole name.

It was left that the matter would be looked at again after Ms H's second property was sold and the mortgage balance reduced. I think that was fair. A smaller mortgage balance would make it more likely Ms H would meet affordability checks. She'd be able to take out a new interest rate product without any concerns about incurring an ERC when she reduced the balance. Depending on the amounts involved, it's also possible the smaller balance would put Ms H's mortgage into a lower loan to value category, meaning lower interest rates might become available.

Taking all this into account, I don't think it was unfair for NatWest to decline to transfer the mortgage into Ms H's sole name in January 2024.

#### *The application to transfer the mortgage into Ms H's sole name in June 2024*

Ms H made a payment in early June 2024 to reduce the mortgage balance. She contacted NatWest about transferring the mortgage into her sole name. NatWest said Ms H failed a credit check, which meant the application to transfer the mortgage into her sole name couldn't proceed.

NatWest says the call handler would only see that the credit score is fail. They wouldn't know why Ms H failed the credit check. Ms H believes she failed the credit check due to a missed mortgage payment in April 2024.

The outcome of Ms H's previous complaint with us was that NatWest should have agreed to a temporary switch to interest only payments when she asked for this in early 2024. It's possible that the outcome of Ms H's discussion with NatWest in June 2024 would have been different if her mortgage had been on interest only terms.

NatWest says it can't confirm this one way or the other – it said it can't recreate the factors

that contribute to the outcome of a credit check at a particular moment in time.

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

I've read Ms H's bank statements to see how matters might have been different if her mortgage had been on interest only terms in March and April 2024.

When Ms H's mortgage payment was due in April 2024 her current account was overdrawn by more than £1,100. Ms H would have exceeded her overdraft limit if the mortgage payment (of about £1,300) had been taken. If Ms H's mortgage had been on interest only terms her payment would have been about £550. That could have been made within her overdraft limit.

I need to take into account that other factors affected the credit score. The direct debit for Ms H's mortgage payment due in January 2024 was returned unpaid. Ms H told us this was a period of financial difficulty for her. NatWest says Ms H had other payments returned unpaid to her current account. Any missed or late payments for credit commitments, such as for a credit card account, could have impacted the credit check.

The bank statements provided to me don't show the payments that were returned unpaid. But I can see that NatWest applied unpaid transaction fees for December 2023 and January 2024 so it's reasonable to assume payments were returned during those months – one of which would have been the mortgage payment due in January 2024. NatWest applied unpaid transaction fees for April 2024 and May 2024.

However, if Ms H had been on interest only terms it seems likely the mortgage payment for April 2024 would have been made on time. Lower mortgage payments would have left Ms H with more funds available to meet other costs, making it less likely she'd have payments returned unpaid. NatWest agreed to remove an unpaid transaction fee for May 2024 – but this was removed after the credit check on 6 June 2024. Ms H received funds from the sale of her property in mid-May 2024 which repaid her overdraft, and allowed her to make an overpayment into the mortgage account.

I can't know for certain if Ms H's application would have passed the credit check in June 2024 if NatWest had agreed to her switching to interest only payments for six months. But based on the available evidence, I think it's reasonable to find it more likely than not it would have done.

I also think NatWest ought fairly to have taken a more flexible approach when Ms H contacted it in June 2024. It had been left in January 2024 that Ms H would contact NatWest again about transferring the mortgage into her sole name after the sale of the second property. NatWest was aware of the dispute between the account holders and that Ms H was vulnerable. I think it would have been fair for NatWest to consider whether it could proceed to consider Ms H's application, despite the credit check.

When Ms H contacted NatWest in August 2024 the credit check wasn't a problem. She met with a mortgage adviser and an offer was issued on 10 September 2024. Based on the available evidence, I don't think Ms H's circumstances changed significantly between June 2024 and September 2024. I think the application would likely have proceeded successfully in June 2024 if NatWest had allowed it to progress to the next stage.

## **Putting things right**

I think NatWest caused a delay in the transfer of the mortgage into Ms H's sole name. I think the delay was about 75 days (from 6 June 2024 when Ms H was told she failed the credit score and 20 August 2024 when she contacted NatWest again and it booked her an appointment with a mortgage adviser). I've thought carefully about what compensation is fair and reasonable, and asked Ms H to provide her comments and evidence about this.

### *Mortgage interest:*

Ms H's mortgage was on the SVR for longer than necessary. I think NatWest should calculate the amount of the additional interest applied to the account (based on the difference between the SVR and the interest rate product Ms H took out) for 75 days (between 6 June 2024 and 20 August 2024). It should adjust the mortgage account and refund the overpaid interest to Ms H, with interest at 8% simple from the date Ms H made each payment to the date of the refund\*.

NatWest provided a calculation of the additional interest and I've asked the investigator to send a copy of the calculation to Ms H.

### *Legal/court costs:*

Ms H says her ex-partner took legal action to enforce the court order, and she incurred legal costs. Having seen the terms of the court order, I think the court hearing might have been avoided if Ms H had been able to provide evidence in mid-2024 that the application to transfer the mortgage into her sole name was in process.

Ms H says she was ordered to pay costs of £250 under a court order (she provided a copy of this) and paid fees to her solicitor.

The court order Ms H provided is dated October 2024. This relates to an enforcement application by her ex-partner to be removed from the mortgage. The application was adjourned as this had progressed. The court order required Ms H to pay £250 towards her ex-partners costs. I think NatWest should compensate her for this. Ms H provided a bank statement showing this was paid on 25 October 2024.

The first invoice Ms H provided for her solicitors' fees (of £127.20) is dated July 2024. While there's no description of the advice provided, this is consistent with what Ms H told us about taking advice when her ex-partner said he'd start enforcement proceedings. I think NatWest should compensate her for this. Ms H provided a bank statement showing this was paid on 18 July 2024.

NatWest should add interest at 8% simple from the date Ms H made the above payments to the date of the refund\*.

The second invoice Ms H provided is an unapproved draft dated October 2024. It includes legal fees (of £180.00) regarding her dispute with her ex-partner incurred in January 2025. I'm not persuaded these fees were incurred as a result of NatWest's error in June 2024. So I don't think it's fair and reasonable to require NatWest to compensate Ms H for these costs.

### *Overdraft interest:*

Ms H says she spent about £1,500 on overdraft interest in the 12 months to October 2025. She asks that this is refunded by NatWest. Ms H says she couldn't recover from the financial difficulties caused by NatWest, and this forced her to increase her overdraft to £5,000.

NatWest's error here was its failure to fairly consider Ms H's application in June 2024. This caused a delay of about 75 days in starting the process to transfer the mortgage into Ms H's sole name. In mid-2024 Ms H received the funds from the sale of a second property and cleared her overdraft. I'm sorry that she experienced further financial difficulties in 2025. But I don't think I can fairly find this was due to the delay in starting the process to transfer the mortgage into her sole name.

#### *The effect on Ms H's wellbeing*

It was important for Ms H that the mortgage was transferred into her sole name. This was required by a court order. She wanted to remove ties to her ex-partner, who she says was abusive. NatWest was aware of this. The additional court proceedings would have been upsetting. I think for the additional distress caused by its error, NatWest should pay £400 compensation to Ms H.

\*If NatWest deducts tax from the interest payment it should provide Ms H with a tax certificate, if she requests one.

#### **My final decision**

My decision is that National Westminster Bank PLC should calculate and make the payments set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 24 December 2025.

Ruth Stevenson  
**Ombudsman**