

The complaint

Mr and Mrs B's complaint relates to a mortgage they had with Santander UK Plc. They are unhappy that Santander took the mortgaged property into possession and is planning to sell it.

What happened

Mr and Mrs B took out their mortgage in 2008 for £225,000 over a term of six years on an interest-only basis. The mortgage was due to be repaid in 2014, but Mr and Mrs B didn't do so. They told Santander they were selling some land in order to repay the mortgage. Mr and Mrs B continued to make interest payments.

In 2016 Santander passed the account to its legal representatives, as it was considering legal action. Mr and Mrs B continued to tell Santander that they were selling the piece of land, although the price had needed to be reduced. The solicitors ceased to be involved in the autumn of 2018, by which time the land had still not sold. At this stage, Mr and Mrs B asked Santander whether it would accept whatever they could get for the land and write off the remaining balance, as they would not be in a position to pay any shortfall. Santander told Mr B that unless he had a definite offer for the land, it couldn't decide if it would accept a shortfall sale. Santander suggested at that point that it assess Mr and Mrs B's income and expenditure to see if it could suggest a possible solution. Mr B declined to complete the exercise, he said he simply wanted to know if Santander would accept whatever the sale price of the land was. Later in December 2018 Mr B told Santander he had a buyer for the land, but the sale did not proceed.

Santander decided to start legal proceedings in March 2019, but the action was stopped due to the Covid-19 pandemic. Santander again passed the account to its solicitors in 2021 because of the amount of time that had passed since the mortgage had been due to be repaid and because the balance was higher than the amount of the original advance. Mr B made payments in June 2021 to reduce the balance and the legal action was suspended. However, the legal action was restarted later that year as no proposals for repaying the mortgage were made by Mr and Mrs B and they were not communicating with Santander. Various hearings took place during 2022 and early 2023, with the court adjourning numerous times to give Mr and Mrs B more time to complete the sale of the land that would enable them to repay a significant amount of the mortgage. However, when that hadn't happened by April 2023, the courts issued a possession order.

In 2023 Mr and Mrs B also started having difficulties paying the monthly interest and arrears of interest started to build on the account. No payments were made after June 2023. When there was no movement on the repayment of the mortgage, Santander decided to move forward with taking possession of Mr and Mrs B's property. An eviction date was set by the courts for early February 2024. Shortly before the eviction date Santander became aware of Mr and Mrs B's vulnerabilities and it cancelled the eviction because of them.

Mr and Mrs B paid £9,000 towards the interest arrears at the end of February 2024 and said they would clear the remaining arrears by the end of March. They also said that they were selling the piece of land for £130,000. Santander said that if they paid that money off the

mortgage balance, it would consider extending the term and agreeing to Mr and Mrs B paying the outstanding balance on a repayment basis.

Mr and Mrs B didn't make any further payments to the mortgage and didn't respond to Santander's requests for contact. As such, Santander decided in June 2024 to move forward with the legal action, and it was given a new eviction date at the beginning of October 2024.

Mr B contacted Santander in September 2024 and informed it that the mortgaged property had been on the market for sale since May 2024 and asked for more time to sell it. Mr and Mrs B also made payments to the mortgage during September 2024 which cleared the interest arrears. They said that the most recent sale of the piece of land had fallen through, but two relatives had proposed to buy it off them for £120,000.

However, as the sale of land had been promised for the mortgage repayment since 2016 and nothing had come to fruition, Santander decided to move forward with the eviction unless Mr and Mrs B evidenced a way to repay the mortgage in full. Mr and Mrs B were told this the day before the eviction date. While a memorandum of sale was sent to Santander that day, it was for only £120,000 and so was not sufficient to repay the mortgage in full. The property was repossessed on 4 October 2024, and Santander scheduled the property to go into an auction in December 2024.

Mr and Mrs B complained about Santander's decisions and the repossession. They said that they had been told in September 2024 that if they cleared the arrears the legal action would be cancelled, and options would be available to address the outstanding balance. The property was withdrawn from the auction in light of the concerns raised.

On 24 December 2024 Santander issued a response to a complaint from Mr B. It said that it considered that it had been very lenient in the amount of time it had allowed for the mortgage to be repaid, as that should have happened in 2014. It also said that in the weeks before the eviction it did not say that it would be cancelled, but it understood why Mr B may have felt that it was going to explore options with them if the arrears were cleared. Santander apologised. In light of this, Santander said that it would allow more time for Mr and Mrs B to provide an evidenced plan for repaying the mortgage. If they had not done so by 1 April 2025, Santander said it would arrange for the property to be sold at auction.

No plan was presented, and Santander has now rescheduled the property to go to auction.

Mr and Mrs B were not happy with the response they received and referred their complaint to us for consideration. One of our Investigators considered the complaint, but he didn't recommend that it be upheld.

Mr B didn't accept the Investigator's conclusions. He said he didn't think Santander had given us copies of all the telephone calls that had taken place, including those in which it told him that it would extend the mortgage on a repayment basis until he was 75 years old. The Investigator obtained recordings of all calls from the beginning of September 2024 until the eviction date, but he was not persuaded to change his conclusions. As agreement couldn't be reached the complaint has been passed to me for consideration.

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.

Mr and Mrs B entered into a contract with Santander whereby it lent them money, and they agreed to pay interest on that debt each month and at the end of the term, they would repay

the capital balance. It was Mr and Mrs B's responsibility to ensure that they had a repayment plan in place for the end of the term and it was not unreasonable for Santander to expect them to have done so.

Mr and Mrs B's mortgage was meant to be repaid in 2014. From what has been said, the plan for this was originally linked to the development of a piece of land. However, that plan hadn't come to fruition. While it was right for Santander to provide Mr and Mrs B some forbearance to allow them to sort out an alternative repayment plan, when that alternative plan didn't come to fruition, it was not unreasonable for it to take legal action and, ultimately, repossess the property.

Mr B have told us that he was told by Santander that if the arrears were repaid, the eviction would be cancelled. In February 2024 the eviction was cancelled due to Santander's concerns over Mr and Mrs B's vulnerabilities. Following this, Santander offered to look into what options it could offer if they repaid the arrears and reduced the capital balance by the amount they would receive from the imminent sale of the land. That possibility didn't progress as Mr and Mrs B didn't make the payments they committed to and so the logistics of making new mortgage arrangements was not discussed. There would have been a process for any new arrangements to be agreed, which would have included an assessment of affordability and sustainability.

I have listened to the calls before the October 2024 repossession. It is clear that Mr B entered into those calls on the assumption that if the arrears were repaid, the eviction would be cancelled, and Santander would make arrangements so that he and Mrs B could keep their home. Santander's staff went along with this assumption and initially after the arrears were repaid, that the eviction would be cancelled. However, that error was corrected very quickly thereafter – that the cancellation of the eviction date was a matter of Santander's discretion - and that if it was cancelled, Mr and Mrs B would need to make an application to extend and rearrange the mortgage, which was not guaranteed to be accepted. This was clearly poor communication on the part of Santander. It acknowledged this error when it considered the complaint Mr and Mrs B made. It suspended its proposed sale of the property and gave Mr and Mrs B more time to reduce the outstanding mortgage balance from the sale of the land they'd told it about, and the opportunity to make arrangements for the remainder of the balance. I consider this was entirely reasonable in the circumstances.

I note that Mr and Mrs B have said that they paid money to Santander in February and September 2024 that they otherwise would not have, had they understood that clearing the arrears would not enable them to keep their home. I understand what they are saying, however, those payments were not wasted; they simply mean that the debt Mr and Mrs B owe is lower than it otherwise would be.

I know that Mr and Mrs B won't agree with my conclusions, but I consider that Santander provided them with significant forbearance and opportunities to repay the mortgage – it was over ten years before the property was repossessed. While Santander should have been clearer in its communications in the weeks before the repossession, I am satisfied that the postponement of the sale of the property was sufficient action to address that mistake.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs B to accept or reject my decision before 7 January 2026.

Derry Baxter
Ombudsman