

## The complaint

This complaint is about how Santander UK Plc has managed the late Mr S's mortgage after he passed away. The complaint is brought by the administrators of his estate.

## What happened

The late Mr S had a mortgage with Santander. The mortgage was on interest only terms, with the capital due for repayment in 2023. Sadly Mr S passed away in March 2021 – Santander was informed in April.

When a borrower passes away, a lender will generally expect the mortgage to be repaid in full. Either the property is sold for the benefit of the estate and the mortgage is repaid from the proceeds of sale, or the property passes to one or more of the beneficiaries of the estate – in that situation, the mortgage needs to be cleared either from any other funds in the estate or by the beneficiaries themselves, unless the beneficiaries are able to apply to re-mortgage.

Santander recognises that it can take time for these matters to be resolved. The first step is applying for a grant of probate so that the executors can deal with the property and the rest of the estate. So it generally allows up to eighteen months for an estate to bring a mortgage to an end.

Mr S died without leaving a will. Letters of administration were granted to his wife Mrs S. During 2022 and 2023 there were discussions about the mortgage being transferred to other family members, but no formal application was made.

Santander asked about plans for bringing the mortgage to an end. It was told that Mrs S intended to remain in the property. It suggested that she seek financial advice about the possibility of taking out a lifetime mortgage to repay Mr S's mortgage.

Sadly, Mrs S herself passed away in 2024. Administration of Mr S's estate passed to the administrator of Mrs S's estate. The mortgage was still outstanding. Since then Santander has contacted the administrator asking for an update on plans to repay the mortgage, but it says it hasn't been able to contact them. Although the mortgage was still being paid, the standing order hadn't changed for several years and wasn't enough to cover the monthly payments so the mortgage was in arrears.

By June 2025, the mortgage remained outstanding. The arrears were now around £23,000 and the term ended in 2023. Santander didn't consider there was any progress towards repayment. So it instructed its solicitors to begin proceedings to repossess the property.

Mrs S's administrator complained. They said Santander had unfairly increased the loan balance by over £20,000. They said Santander had failed to offer the family appropriate support and hadn't agreed to the mortgage being transferred. It was now threatening legal action. Our investigator didn't think the complaint should be upheld. So the administrator asked for it to be reviewed by an ombudsman.

## **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 very sorry to hear of the passing of both Mr S and Mrs S. I hope their family will accept my sincere condolences on their loss.

As our investigator explained, I can only consider part of this complaint. That's because Santander issued a final response in January 2023 about sending a field agent to visit the property. The estate didn't refer that complaint to us within the six month time limit and I don't think there were any exceptional circumstances which prevented a referral. So I won't be considering that part of the complaint here.

Having considered things carefully, I'm afraid I don't think Santander has acted unfairly. Mr S was the sole borrower, and the mortgage was due for repayment after he passed away. Even if he hadn't passed away, this was an interest only mortgage and the full balance would have been due for repayment in 2023.

I think Santander has allowed a reasonable time for the family to find a solution in the years since. I can't consider any requests for a change of borrower as part of this complaint, because a complaint about that would have to be made by the person that applied to take the mortgage on and had their application refused. But I think Santander has explained the options and given the family a reasonable time to find a way to resolve the situation. It's not unreasonable that it wants the mortgage to be brought to an end – it's now three years since the mortgage term ended, and five years since Mr S passed away.

Until the mortgage is repaid, interest continues to be charged. The family continued to pay around £300 per month, which was the monthly payment while the mortgage was on a fixed interest rate until 2023. But since then, after the fixed rate ended, the monthly payments have increased and that amount is no longer enough to cover the interest charged each month. That's why the mortgage has fallen into arrears and the balance has increased – the increase is due to the arrears, as well as additional interest charged because the balance is higher. I don't think that's unfair.

I'm afraid it's not unreasonable that Santander expects the mortgage to be repaid. I think it has acted fairly in allowing considerable time since Mr S passed away. But the situation can't continue indefinitely, not least because the mortgage balance continues to increase, so I hope the family can find a solution that avoids the need for Santander to repossess the property. But unless the mortgage can be repaid shortly, it might be necessary for Santander to take that step. In the meantime, the administrator will need to keep Santander updated with progress being made towards repayment.

## **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 the estate of Mr S to accept or reject my decision before 5 May 2026.

Simon Pugh  
**Ombudsman**