

## The complaint

Mr B and Ms C complain that Clydesdale Bank Plc trading as Yorkshire Bank caused delay and cost in dealing with an application to convert Mr B's sole mortgage into a joint one in both their names.

## What happened

Mr B had a mortgage with Yorkshire in his sole name. He wanted to add his partner Ms C to the title deeds of his property. He asked Yorkshire to consent to a change of title.

Yorkshire said that this required a new mortgage application for a new joint mortgage to replace the old sole mortgage. It said that it didn't allow applications like this to be made when the old mortgage was in the last six months of a fixed rate period, as was the case here. But it agreed to go ahead on the basis the transfer would take place following the end of the fixed rate.

Mr B and Ms C made an application for a joint mortgage to replace the sole mortgage. The application was eventually granted and the new joint mortgage was put in place. But Mr B was unhappy with the process and made a complaint. He said:

- He had originally asked for consent to change the title of the property, not a change to the mortgage, but no one at Yorkshire seemed to understand what he was asking for and he was told there would have to be a new mortgage application.
- He was told that Yorkshire's policy was to refuse any application made within six months of the end of a fixed rate. Although it eventually found a workaround, this caused upset and delay.
- No changes to the mortgage were required – the borrowing amount, term and so on were to remain the same. But Yorkshire insisted on Mr B and Ms C taking mortgage advice even though that wasn't necessary or something they wanted. There was a delay of two weeks in arranging the advice appointment. And Yorkshire used the appointment as a chance to try and sell other products, such as insurance, that they didn't want or need.
- There were further errors and delays during the process. Mr B was promised a call back within 48 hours which never happened. Documents were sent with password protection but no password. Incorrect documents were sent. Documents were sent twice without explanation. Overall the process took an unreasonable amount of time.
- Yorkshire didn't point out that an early repayment charge would be payable if the new mortgage completed before 1 May 2025; this was only avoided because it was spotted by Mr B and Ms C's solicitor.
- The old and new mortgage were the same. But Yorkshire insisted on releasing money to the solicitor only for it to be paid straight back – which meant Mr B and Ms C had to pay transfer fees.

- When Mr B did complain, Yorkshire failed to record or address his complaint properly.
- As a result, Mr B and Ms C were caused worry, upset and frustration. An event that should have been joyful for them – committing to a joint property together – was made into a difficult experience.

Yorkshire accepted Mr B hadn't received a call back as agreed. But it said it had considered the application fairly and in line with its policy. It paid £50 compensation.

Our investigator thought that was a fair resolution. She said Yorkshire hadn't caused any unreasonable delays overall and had considered the application fairly. Mr B didn't agree and asked for an ombudsman to review the 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.

Mr B initially asked Yorkshire about a transfer of title and letter of consent, on the advice of his solicitor. This means adding Ms C to the property title at the Land Registry – making changes to ownership requires the consent of a mortgage lender, hence the need for a letter of consent.

However, Yorkshire doesn't agree to add parties to a property title who are not also parties to the mortgage. This isn't unreasonable, and isn't unusual in the mortgage industry. Having the lending secured over a property part-owned by someone who isn't a borrower would complicate things considerably if it ever needed to take enforcement action. Therefore the only way to add Ms C to the property title was to also add her to the mortgage.

This wasn't a simple administrative process, or something that just needed legal agreement, as Mr B suggested. It's possible to change the parties to a mortgage in two ways – a variation of the existing mortgage, or replacing the old sole mortgage with a new joint one. Yorkshire does it via a replacement.

This meant that Mr B and Ms C had to apply for a new mortgage to replace Mr B's old one. And in turn that required mortgage advice, including an affordability assessment. But even if Yorkshire processed change of parties applications as a variation to the existing mortgage instead, Mr B and Ms C would still have needed to go through the same process. The rules of mortgage regulation say that an affordability assessment must be carried out when replacing an old mortgage with a new one. And one must also be carried out when making changes to an existing mortgage – unless the changes are not material to affordability. But a change of borrowers is one of the examples given in the rules that is material to affordability.

Under the rules, therefore, whether Yorkshire processed this application as a variation or as a new mortgage application, it was required to carry out an affordability assessment and ensure Mr B and Ms C had received mortgage advice.

For those reasons, I don't think the process Yorkshire required Mr B and Ms C to go through was unreasonable. It was required by the rules of mortgage regulation. Although the mortgage balance was small and there were no affordability concerns, appropriate checks still had to be carried out.

At the time, Mr B's mortgage was coming to the end of an early repayment charge (ERC) period. His initial conversations with Yorkshire were in early March 2025, and the ERC

expired on 30 April.

Yorkshire told Mr B that it didn't allow change of borrower applications within six months of the end of an interest rate. That wasn't quite correct – or at least, it was a simplification.

The actual position, according to Yorkshire's policy, is that there can only be one application in process at any one time. It was possible for Mr B to apply for a new fixed rate on his old mortgage – but a separate change of parties application would have to wait until the new rate was in place. Or it was possible to apply for a change of parties, but any separate new interest rate application would have to wait until that completed. Yorkshire says that a change of parties application can take up to six months, depending on complexity of the circumstances. So it's not generally a good idea to do a stand-alone change of borrowers application within six months of the end of an interest rate, because that risks delaying an application for a new rate and the borrower having to spend time on the higher reversion rate in the meantime. But the policy document I've seen doesn't say that a change of borrowers application isn't allowed, it just explains the possible consequences.

The problem of not being able to have two separate applications ongoing at any one time can be dealt with in other ways. If the borrower doesn't want to apply for a new fixed rate and prefers to remain on the reversion rate, there's no possible prejudice in going ahead with a change of borrowers application.

Or – and this is what happened in this case – instead of having two applications, there can be one application for two things. Mr B and Ms C applied for a new joint mortgage, and also applied for that new mortgage to be on a new interest rate.

That was a reasonable solution to the problem identified in Yorkshire's policy, and allowed the application to go ahead. But what it did mean was that – as identified by Mr B's solicitor – the new mortgage couldn't complete before 1 May, when the ERC period on the old mortgage had expired. If the old mortgage had been paid off by a new mortgage on a new interest rate before 30 April, an ERC on the new mortgage would have been payable.

For all those reasons, I'm satisfied that there was nothing unfair or unreasonable about the process Mr B and Ms C were required to go through. They had to apply for a new joint mortgage to replace the old sole one. This required mortgage advice and a full mortgage application, including affordability assessment. It wasn't possible for Yorkshire to make changes to the mortgage without that, and making changes to the property title that didn't match the mortgage wasn't something that it would consent to either, with good reason.

I understand Mr B's concern that a funds transfer fee had to be paid. But this was because the process involved a new mortgage replacing the old one. Completing a new mortgage application involves paying out the mortgage funds to the borrower's solicitor. And repaying an old one involves paying funds to Yorkshire to clear the balance. I appreciate that in this instance the new funds were used to repay the old loan, so the money was paid out by Yorkshire and sent straight back again. But this situation is relatively unusual, and I don't think it was unreasonable that Yorkshire followed the standard process of releasing funds on completion.

Mr B has also questioned why the new mortgage balance was higher than the old one. There are two reasons for this. Firstly, the new mortgage offer was issued based on the balance as at the date of the offer – which was the same as the balance of the old mortgage at that time. But in between offer and completion another payment on the old mortgage fell due. So the old mortgage balance reduced in the meantime, and was lower than the new mortgage offer by the time of completion. Secondly, there was an exit fee on the old mortgage. But because the new mortgage funds were by then more than were needed to

repay the old mortgage, Mr B and Ms C's solicitor would have paid the surplus to them. And there was nothing to stop them paying the surplus back to the mortgage to reduce the new balance if they'd wanted to do so (and, if they didn't, they still could do so now).

I've also thought about the time taken to complete the process. Overall, I don't think it was unreasonable. Yorkshire warns a change of borrowers application could take up to six months. That would be unusual, in my experience, and something likely only in the most unusual or complex cases. This was a straightforward case. But even so, a period of around a month between the first contact with Yorkshire to discuss options and the issue of a mortgage offer is reasonable and not excessive. The mortgage offer was issued around 9 April (the initial contact was on 7 March), and this left plenty of time to arrange completion for 1 May.

That said, Yorkshire did cause Mr B and Ms C some upset and frustration along the way. It promised a call back but didn't call. There were also some frustrations using its online system – including difficulties in uploading documents and accessing password protected documents. This shouldn't have happened, and did result in some distress and inconvenience – though didn't, overall, delay matters. Even if the offer could have been issued sooner, it still couldn't have completed before 1 May because of the ERC. Yorkshire has paid £50 compensation, and in all the circumstances I think that's fair.

### **My final decision**

Because I think Clydesdale Bank Plc trading as Yorkshire Bank has already paid fair compensation, I don't uphold this complaint or require it to do anything further.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Ms C to accept or reject my decision before 20 February 2026.

Simon Pugh  
**Ombudsman**