

## **The complaint**

This complaint is about several buy-to-let (BTL) mortgages Mr and Mrs C hold jointly with Santander UK Plc. They are unhappy that Santander will not consent to removing Mr C from one mortgage and Mrs C from another, which they'd agreed to do as part of their divorce settlement unless Mr C makes a £100,000 capital reduction in his borrowing.

Mr C, who has dealt with the complaint throughout with the consent of Mrs C, says Santander has treated them differently from new customers and thinks this is unfair because he and Mrs C will incur early repayment charges (ERCs) if they have to go to another lender.

## **What happened**

I don't need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr and Mrs C being identified. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision.

In 2024 Mr and Mrs C asked Santander to remove Mr C from one of their joint BTL mortgages, and Mrs C from another. Santander considered the request, but declined it. This was because, in order to meet its affordability criteria, Santander would need Mr C to make a capital reduction of £100,000. Mr C said he couldn't afford this, and that if he was a new customer, he'd only need reduce his borrowing by £14,000.

Mr C complained to Santander, but it didn't uphold the complaint so Mr C contacted our service. Initially the Investigator thought the complaint should be upheld, but after considering further evidence from Santander, he didn't think the bank had acted unfairly.

Mr C asked for an Ombudsman to make a final decision on 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.

Having done so, I'm not going to ask Santander to do anything further, or to waive the ERCs. These are my reasons.

Santander is entitled to set its own lending criteria. Decisions that Santander makes in respect of what those criteria are, its attitude to risk involved in this particular lending assessment, and whether it should lend and if so, on what terms are clearly discretionary matters for its own commercial judgement that I would not interfere with. It's not my role to second-guess what Santander should have done, or to substitute my own lending decision for that of the bank. What I have to decide is whether Santander has acted reasonably in all the circumstances.

Santander has provided details of its underwriting of the application, which I've treated in confidence, because it is commercially sensitive. I've reviewed this information, and I'm satisfied that Santander correctly applied the stress test which resulted in its decision that an overpayment of £100,000 would be necessary. I appreciate that Mr C said he reached a different figure by inputting information into Santander's portal as if he was a new customer, but he is not a new customer, but an existing joint borrower, asking Santander to remove the other joint borrower from the mortgage. There is therefore an increased risk to the bank, which it is entitled to take into consideration.

I'm satisfied that Santander reached its lending decision fairly, after taking into account all relevant factors, including exposure to risk, and the specific circumstances of this application. Overall, I'm satisfied that Santander gave fair consideration to this application and so legitimately exercised its commercial judgement when deciding the amount of overpayment that would be required in order to satisfy its risk appetite. This means that there is no basis upon which I can fairly order Santander to waive the ERCs in this case.

### **My final decision**

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs C to accept or reject my decision before 4 March 2026.

Jan O'Leary  
**Ombudsman**