

The complaint

Mr P complains that Lloyds Bank PLC unfairly refused to release him from a mortgage he held jointly with his ex-wife.

What happened

In 2004 Mr P and his then wife took a mortgage with Lloyds for approximately £85,000 over a term of 23 years. They divorced in 2016 and a court's financial remedy order of the time said:

“The applicant [Mr P's ex-wife] shall use her best endeavours to procure the release of the respondent from any liability under the mortgage on or before completion of the transfer provided for in paragraph 11 above and shall in any event indemnify the respondent against all such liability.”

Mr P's ex-wife failed to carry out those instructions so, in the years that followed, Mr P approached Lloyds to request that he be removed from the mortgage. But Lloyds declined those requests.

Mr P complained to Lloyds in August 2025. He explained the requirements of his divorce settlement to Lloyds and said he'd transferred all legal interest in the property to his ex-wife (in line with the requirements of the divorce settlement). And he outlined the impact of Lloyds' refusal to remove him from the mortgage, the circumstances as he saw them, the policy and regulatory points he thought applied and what he expected from Lloyds. That amounted to:

- An explanation of why Lloyds has not released him from the mortgage.
- Confirmation of what his wife has done to satisfy the requirements of the divorce settlement.
- A review of Lloyds' 'Specialist Domestic and Financial Abuse Team.'
- An explanation of why a new £50 regular payment had appeared on the account.

In its final response letter dated 3 October 2025, Lloyds said a track record of regular payment by Mr P's ex-wife did not constitute evidence of affordability to satisfy its requirements for a 'transfer of mortgage property' (TOMP). However, following its review of current circumstances, including Mr P's confirmation that he was no longer named on the property, Lloyds agreed to remove him from the mortgage. It explained that it had been able to make an 'out of policy' decision with input from 'senior policy colleagues.' Lloyds declined to provide him with information about current details of the account and any requests made by his ex-wife on the grounds that he was no longer a party to the mortgage.

Mr P wasn't entirely satisfied with Lloyds' response and asked this Service to consider the issue of the impact of Lloyds' previous refusals to remove him from the mortgage. He says, if Lloyds can remove him now, then it should have done so previously, rather than allow his unfavourable circumstances to continue. He's outlined the impact that's had on him and, for context told us the circumstances of his divorce. Those circumstances are chiefly characterized by him suffering an abusive relationship at the hands of his ex-wife. He says

he's made Lloyds aware of that in his requests to be removed from the mortgage and Lloyds failed to adequately take that into consideration.

Lloyds has consented to our consideration of the complaint it responded to on 3 October 2025, but not previous complaints made.

Our investigator didn't uphold Mr P's complaint. She said she doesn't think Lloyds acted unreasonably given that it was not a party to the divorce settlement, and it was required to ensure the mortgage was affordable before it agreed to a TOMP application.

Mr P disagreed. He said he's complaining about Lloyds' failure to apply its own dedicated policies and its failure to exercise reasonable discretion for a vulnerable customer for a period of nine years. And the fact that it has now removed him from the mortgage without a TOMP is an admission that it could have resolved the matter much sooner. He says the delay in doing so constitutes an unreasonable service failure that warrants compensation for distress and inconvenience.

As Mr P disagreed with our investigator his complaint has been passed to me for a decision.

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.

To decide Mr P's complaint, I've thought about whether Lloyds has acted fairly and reasonably with regard to Mr P's requests to be removed from his mortgage with his ex-wife.

Before I outline my thoughts on how Lloyds has acted, I will address two points that affect my consideration of this complaint.

The first is that the complaint that we've been asked to consider is different to that addressed in Lloyds' final response letter dated 3 October 2025. That addressed Mr P's complaint by agreeing to release him from the mortgage, rather than why it hadn't done so up until then. So, it didn't address the damage Mr P says was caused by its delay. We made Lloyds aware of the detail of the complaint Mr P has asked us to consider and addressed that in our investigator's opinion. Lloyds did not object to our consideration of that complaint, so I'll address that in this decision, rather than insist that this complaint be put on hold and we give Lloyds eight weeks to provide a new final response.

I'd also like Mr P to understand that we don't always consider complaints where both parties to a joint customer product aren't joined to the complaint. It's clear in this case that it wouldn't be appropriate or reasonable to expect Mr P to ask his ex-wife to join the complaint. However, her absence from the complaint does affect the amount of information we were able to obtain and consider. The impact of that will become apparent as I outline my decision about the merits of this complaint.

Mr P has told us his complaint doesn't hinge solely on the court order relating to his divorce settlement. I'd like to underline what our investigator has already said on that point. Lloyds was not a party involved in Mr P's divorce. The court order – in particular, the passage I've excerpted above – is not a direction to Lloyds and Lloyds has no responsibility to adhere to anything the order says. Put simply, the court order does not ask or direct Lloyds to do anything.

That said, I would expect Lloyds to deal reasonably with any requests that arise from the court order, made by either party to it. In this case, I haven't seen whether Mr P's ex-wife

attempted to fulfil the requirements of her as directed by the court order. As she is not a party to this complaint, Lloyds hasn't shared that information with us. So, I can only consider its actions in relation to Mr P's requests.

The starting point for any removal of a party from a joint mortgage is what Lloyds refers to as a 'TOMP' (often known as a 'transfer of equity') application. That predominantly involves the lender making an assessment of whether the remaining party can sustainably afford the payments for the remainder of the mortgage term. And, essentially here, that requires the co-operation and willingness of the party taking on the mortgage. I've not seen any evidence demonstrating that Mr P's ex-wife has shown any co-operation or willingness, and I haven't seen any details of an affordability assessment. So, I can't make a judgement on whether any such assessment has been conducted fairly.

Over recent years, lenders have been encouraged to pay closer attention the vulnerabilities of their customers. Relevant here is where a vulnerability arises from domestic abuse. And lenders have developed policies around vulnerability. Mr P has pointed out that Lloyds launched a dedicated 'Specialist Domestic and Financial Abuse Team' in 2019. And that a press release from Lloyds said a joint party can now be removed from the account of a victim of financial abuse.

However, vulnerability is only one factor a lender must consider when making decisions about whether a joint party can be removed from a mortgage. Lloyds has said it has made an 'outside policy' decision to remove Mr P from the mortgage. An assessment of his circumstances was clearly a substantial part of its decision making. As part of that, again as Mr P has said, it had a duty to consider the foreseeable harm of keeping him on the mortgage. I understand Mr P may not like to hear this, but irrespective of the allegations he's made about his ex-wife, Lloyds also has a duty to consider the foreseeable harm its actions may cause to her. I say that not to express any doubt about Mr P's allegations, but to illustrate that his are not and have not been the only circumstances Lloyds has had a duty to consider.

As Mr P's ex-wife is not a party to this complaint, I am unable to make a judgement on whether Lloyds acted reasonably when it declined Mr P's previous applications for a TOMP. That's because I'm not able to consider all the circumstances that Lloyds needed to when making those decisions.

I think Lloyds' recent decision to remove Mr P from the mortgage was a fair and reasonable resolution to his complaint, particularly because it shows that Lloyds was prepared to revisit and reconsider Mr P's circumstances and take his vulnerability into account. But, for the reasons explained, I won't direct Lloyds to pay Mr P for the distress and inconvenience he says it has caused him by not removing him from the mortgage sooner.

My final decision

My final decision is I don't uphold Mr P's complaint about Lloyds Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 24 March 2026.

Gavin Cook
Ombudsman