

The complaint

Mrs I complains that Bank of Scotland plc transferred her mortgage within the Bank of Scotland business group without her consent.

Mrs I asks that we require Bank of Scotland to accept her signature on the mortgage documents was forged, correct its records, remove the unauthorised credit search and pay compensation, and prevent it from enforcing the mortgage (which she says isn't valid).

What happened

Mrs I took out an interest only mortgage jointly with her husband (who I'll refer to as Mr I) in 2004, with a lender in the Bank of Scotland group. This lender is a closed book lender and no longer offers new interest rate products. Bank of Scotland arranges for mortgages to be transferred to another lender in the group, so that borrowers can take out a new interest rate product.

In mid-2025 Mr I contacted Bank of Scotland about taking out a new interest rate product. The mortgage was transferred to Bank of Scotland in late 2025 and a new preferential interest rate product was applied to the account.

Mrs I says she told Mr I she didn't want to be financially involved with him or the property anymore. She says her signature on the remortgage documents was forged. Mrs I says she experienced domestic abuse and financial control, and the transfer of the mortgage has made her situation worse. She says she moved out of the property in late 2025 and she's divorcing Mr I.

Mrs I says Bank of Scotland failed to check documents were properly executed and that both borrowers consented, carried out a credit search without her consent and failed to respond appropriately when she contacted it with her concerns. She intends to sell the property and doesn't want to incur an early repayment charge (ERC).

Bank of Scotland removed the credit search and said it would review whether to waive any early repayment charge (ERC) paid by Mrs I if the property is sold during the product term. It said Mrs I wasn't in a worse position as a result of the internal remortgage, which allowed a lower interest rate to be applied.

Our investigator said Bank of Scotland didn't know there was a marital dispute between Mrs I and Mr I. It had no reason to question the signatures on the documents or whether Mrs I was aware of the internal remortgage. Our investigator said Bank of Scotland had offered a fair resolution and Mrs I wasn't in a worse position due to the internal remortgage.

Mrs I didn't agree and asked that an ombudsman reconsider the complaint. She said Mr I stopped paying the mortgage, which is now in arrears. She says Bank of Scotland won't discuss the account with her.

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.

Only a court can determine whether a contract is legally binding and enforceable. If Mrs I considers the mortgage contract isn't valid she can raise this in court. Mrs I says she reported domestic abuse, financial control and fraud to the police. I can't make findings about that, or other matters between Mrs I and Mr I. The courts and the police have a different remit, process and powers to us. We provide an informal dispute resolution service. My role is to look into whether Bank of Scotland made an error or acted unfairly and reach a decision about what's fair and reasonable in the circumstances.

I'm sorry to disappoint Mrs I. But, based on the available evidence, I don't think it's fair and reasonable to require Bank of Scotland to take further steps regarding her complaint.

Prior to the events that led to this complaint, Mrs I and Mr I already had a joint mortgage secured on the property. Mrs I was already financially connected to Mr I by the previous mortgage. She was already jointly and severally liable for the mortgage debt. The amount of the debt did not increase as a result of the internal remortgage to Bank of Scotland.

The interest rate is lower than if the mortgage had stayed with the closed book lender on its standard variable rate. That benefits Mrs I and Mr I, who are both jointly and severally liable for the mortgage debt.

Bank of Scotland was made aware of a marital dispute in 2012. Mrs I changed her correspondence address at that time. Bank of Scotland's notes say Mrs I called in late 2014 to say there was no longer a marital dispute and she was back with Mr I. Mrs I's address was updated to the property address in 2023, after she gave that address when she took out another product. Mrs I told us she was living at the property until late 2025.

Mrs I says she wanted to maintain a separate correspondence address so that she'd know what was happening with the mortgage account. She says she stopped receiving post at the correspondence address about two years ago. She says she didn't ask for this and given her vulnerable circumstances she shouldn't be expected to question or chase this. However, Bank of Scotland didn't at that time know about a marital dispute, abuse or financial control.

Bank of Scotland says it wasn't made aware of a marital dispute prior to the internal remortgage to Bank of Scotland and the new product being taken out in late 2025.

Bank of Scotland says unless it's aware of a marital dispute it accepts instructions from one joint account holder for certain changes, such as taking out a new interest rate product.

Mrs I says she told Mr I that she didn't want to be financially involved with him and the property anymore and that she wanted a divorce. She provided a screen shot of a message sent in July 2025 saying this.

Mrs I didn't provide evidence that she told Bank of Scotland there was a marital dispute, or that she didn't agree to the transfer of the mortgage (which the message referred to above suggests she was aware of).

Mrs I says some of the information recorded by Bank of Scotland when discussing the remortgage with Mr I wasn't correct, and she didn't provide evidence of her income which was recorded by Bank of Scotland as "cannot verify/unsustainable". It seems Bank of Scotland looked into whether it would be affordable for the mortgage to be put onto a capital

repayment basis. But it didn't do this, or make other changes that would have required an affordability assessment.

Bank of Scotland sent the mortgage offer to the property address, addressed to both Mr I and Mrs I. The property address was the address in its records for Mrs I.

Solicitors acting for Bank of Scotland were responsible for checking the mortgage documents were properly executed. They sent correspondence to the property address. The solicitors said the documents appeared to be signed by both parties and they had no reason to question this.

I don't think Bank of Scotland made an error when it agreed to the internal re-mortgage and new product based on what it knew at the time. But even if I did think this was an error, I don't think it would be fair and reasonable, based on the available evidence, to require it to remove Mrs I from the mortgage account or otherwise say she's not liable for the debt. That's because she's in no worse financial position as a result of the internal remortgage. Mrs I was already jointly and severally liable for the mortgage debt.

Bank of Scotland removed the credit search from Mrs I's records. It said if the property is sold within the fixed rate period it will review whether any early repayment charge should be waived. This will depend on a review of the situation at the time – for instance whether Mrs I had to pay all or part of the ERC. I think this is fair and reasonable in the circumstances, and ensures Mrs I is in no worse position following the internal remortgage and new product.

Since the complaint came to us, the mortgage has fallen into arrears. Mrs I says Bank of Scotland refused to discuss the account with her. This wasn't part of the complaint that Mrs I raised with Bank of Scotland and brought to us, so I can't look into it here. Mrs I will have to raise this with Bank of Scotland.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs I to accept or reject my decision before 10 April 2026.

Ruth Stevenson
Ombudsman