

## **The complaint**

Mr B and Mrs B complain that Clydesdale Bank Plc trading as Virgin Money unfairly declined to port their mortgage products (for three mortgages). Two of the mortgages have been repaid and Clydesdale applied an early repayment charge (ERC).

Mr B has dealt with the complaint. He says they were misled about the ability to port when they chose the products. He asks that Clydesdale refunds all costs related to the mortgages (including interest and ERCs) and compensates him for financial loss, distress and inconvenience.

## **What happened**

Mr B and Mrs B had a residential mortgage and two buy to let mortgages with Clydesdale. They had five-year fixed interest rate products which expire in 2027 or 2028. Mr B and Mrs B have separated.

In 2024 Mr B contacted Clydesdale about porting, as he was relocating to a different area. Clydesdale said this wasn't possible as it doesn't offer mortgages on properties in that area.

Mr B says the regional restriction on porting was not disclosed when they took out the mortgage in 2014 or when they took out new products in 2022. He says they were misled as Virgin Money markets itself as offering mortgages "UK-wide". Mr B says he couldn't reasonably have known that Clydesdale had lending policies that were different from the "Virgin Money" brand it traded under.

Mr B says the consequences of not porting include having to pay ERCs of about £10,000 for each mortgage, forced sale of assets worth £500,000, lost investment opportunities, capital gains tax of £120,000 and housing instability and this directly contributed to the breakdown of his marriage and family structure.

Our investigator said the product offers said porting is subject to meeting the lender's criteria. Porting to this area didn't meet Clydesdale's lending criteria. Our investigator said the product switch offers were from Clydesdale, not Virgin Money, and Clydesdale wasn't required to adopt Virgin Money's lending policies.

Mr B didn't agree. In summary, he said the crux of the complaint is that he was repeatedly and directly told that he was dealing with Virgin Money, which has a presence in the area he's moved to.

## **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 and Mrs B took out mortgages with Clydesdale in 2014. They took out five-year fixed interest rate products for the buy to let mortgages in 2022, on a non-advised basis. They took out a five-year fixed interest rate product for the residential mortgage in early 2023, also

on a non-advised basis.

The fixed interest rate products included ERCs which applied if the mortgages were repaid during the product term. In each case, the ERC (the percentage amount and when it applies) is clearly set out in the mortgage illustration in the form of a table. Mr B and Mrs B agreed to the terms, including the ERCs, when they took out the products.

The two buy to let properties were sold in March 2025. Clydesdale applied ERCs, as it was entitled to do under the mortgage terms and conditions.

Mr B and Mrs B haven't as yet sold the property with the residential mortgage. If they repay the mortgage before the product expires (in March 2028) Clydesdale will be entitled, under the mortgage terms and conditions, to apply the ERC.

Mr B says it's unfair for Clydesdale to apply the ERCs. That's because he expected to be able to port the products. He didn't know that Clydesdale wouldn't allow porting to the area he relocated to. He thought the mortgages were transferred to Virgin Money, which does offer mortgages in the area he located to.

I'm not persuaded that Clydesdale misled Mr B and Mrs B that they'd be able to port to the area they located to, or that their mortgages had been transferred to Virgin Money.

The mortgage illustrations for the new products each say the product can be ported, but only where "...you meet our lending, affordability and eligibility criteria at that time the application to port is processed."

Clydesdale doesn't offer mortgages in the area that Mr B located to. So a porting application would not meet its lending criteria. This is a long-standing policy. I haven't seen evidence that Clydesdale misled Mr B and Mrs B about this.

Mr B says Virgin Money has a high street presence and offers mortgages in the area he relocated to. Mr B says the communications they received led them to believe their mortgage had or would transition to Virgin Money.

"Virgin Money" was used as a trade name by Clydesdale, and the brand was prominent in the communications and screen shots Mr B provided copies of. But I don't think Clydesdale misled Mr B and Mrs B that their mortgage had been transferred to Virgin Money.

For instance, Mr B sent a copy of an email from Clydesdale in November 2022 (which is about the time that they took out the new products) headed "*brighter mortgages are coming*". This went on to say "*nothing is changing [with the mortgage] just yet*" and he should continue to contact Clydesdale about the mortgage.

All of the product switch offers and mortgage illustrations were issued by Clydesdale. There's no mention of Virgin Money.

I don't think Clydesdale misled Mr B and Mrs B, before they agreed to the terms of the new products, that their mortgage has been transferred to Virgin Money or that Virgin Money's lending criteria would apply if they wanted to port.

Mr B says he re-located to the new area from March 2020. He says they intended to sell one or more of the properties due to re-locating. However, sales fell through and as interest rates were rising they took out new interest rate products in 2022.

If Mr B and Mrs B were intending to sell the properties and make porting applications, they

could have discussed this with Clydesdale before taking out the new products. There's no evidence that they did so. Mr B provided a copy of a product application from late 2022. In this, they say they had no plans to move in the next five years and didn't expect any change to their personal circumstances.

Mr B called Clydesdale in May 2024 to ask about porting to the new area. Clydesdale said it didn't know what might happen in future, but at that time it did not allow porting to the area Mr B was relocating to. It told him this was still the case when he called in late 2024. It said there would be an ERC if Mr B and Mrs B sold the properties, or if they remortgaged with Virgin Money. It gave Mr B information about the ERCs.

The buy to let properties were sold in March 2025. Clydesdale had given Mr B correct information – that it wouldn't port to the area he relocated to, and that an ERC would be applied – well in advance of this. It was for Mr B and Mrs B to decide whether to proceed with the sales.

I don't think that Clydesdale made an error or treated Mr B and Mrs B unfairly. I don't think it's fair and reasonable to require it to refund or waive the ERCs (or other mortgage costs) or pay compensation.

### **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 Mr B and Mrs B to accept or reject my decision before 29 May 2026.

Ruth Stevenson  
**Ombudsman**