

complaint

Mr and Mrs G complained that Santander UK Plc had delayed responding to their request to transfer their mortgage to a new property. They said this meant they had to go to another lender, resulting in early repayment fees and additional solicitor's charges.

background

Mr and Mrs G had an existing mortgage with Santander. They wanted to move house, and found a property in September 2013 which they lost, but which came back on the market in November 2013. Mr and Mrs G applied to Santander to transfer ("port") their mortgage to the new property. The bank told them that all the details were already on file and only payslips were needed. Mr and Mrs G supplied these and Santander acknowledged them in late November.

Mr and Mrs G repeatedly chased Santander for a decision, and were concerned that the delays would mean they'd lose the property. By 20 January, they still hadn't had a decision, and emailed to say they could no longer wait and were withdrawing their application. Santander responded the next day to say that the underwriting department had declined Mr and Mrs G's application.

When Mr and Mrs G complained to Santander, the bank acknowledged that the underwriters had taken "*a little longer than expected*" to make the decision. But it said that as the decision was to decline the application, Mr and Mrs G would have chosen to redeem their existing mortgage anyway. Mr and Mrs G weren't happy, and Santander then offered and paid £115 compensation. Santander said it had been Mr and Mrs G's decision to redeem the mortgage before it received the bank's decision, so it wouldn't refund the early repayment charge. Mr and Mrs G weren't satisfied and complained to this service.

The adjudicator found that Santander hadn't provided an explanation for its delay in assessing the application. She accepted that the bank declined the application for a legitimate reason, but didn't believe the delay in communicating the decision was reasonable. She considered that a total of £200 was a more appropriate figure for compensation.

Mr and Mrs G didn't accept this. They said they didn't believe all aspects of their complaint had been thoroughly dealt with. But although the adjudicator tried to contact them, they didn't give any more information about what they thought hadn't been considered.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Santander had received Mr and Mrs G's payslip information, which was the last piece of information it had asked for, by 27 November 2013. It didn't tell Mr and Mrs G that their application had been declined until the day after they had decided that they'd have to give up waiting for Santander. That was 21 January 2014. The bank has subsequently acknowledged that it did cause unreasonable delays in providing the customers with the outcome of their mortgage application.

I have considered Mr and Mrs G's statement that not all aspects of their complaint have been dealt with. But they haven't explained what they think is still outstanding from their original complaint to this service. They told us that the delays resulted in their seeking an alternative lender, and incurring the early redemption fees on their existing Santander mortgage, so I have looked at those fees.

Santander's eventual decision was to decline the application, so if they'd been told promptly, Mr and Mrs G would have had to decide between giving up their move, and going to a different lender and incurring Santander's early redemption charges. Where the evidence is inconclusive, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances. On this basis, I think it's more likely than not that Mr and Mrs G would have decided to move despite the early repayment costs. This is indicated by the timeline document which Mr and Mrs G provided to us. The first item is about their first approach to Santander about the possible move. They acknowledged that they would ideally have liked to wait until the penalty period had ended, but still applied. So I think they would have chosen to incur the early repayment costs, rather than give up their move, if Santander had given them the refusal within a reasonable timescale.

Mr and Mrs G were also unhappy that there was no call recording available – but the bank doesn't have to record all calls, or keep them for a long period of time.

Looking at compensation, I find that a total of £200 is appropriate for distress and inconvenience caused by the unreasonable delay. Santander said it paid Mr and Mrs G £115 in January 2014, so the remaining amount payable is £85.

my final decision

My final decision is that I order Santander UK Plc to pay Mr and Mrs G a further £85 compensation for distress and inconvenience, making a total of £200 with the £115 it has already paid to them.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs G to accept or reject my decision before 29 January 2015

Belinda Knight
ombudsman