

The complaint

Mr A and Ms G complain that Nationwide Building Society unfairly declined to port their mortgage. They want to understand why this was.

What happened

Mr A and Ms G have had a mortgage with Nationwide since 2006. They want to move and port their mortgage. Mr A says their income has increased since they took out the mortgage, they've always made payments on time and the mortgage loan has reduced. He says his credit score is excellent.

Mr A says he can't understand why Nationwide rejected their porting request. While Nationwide told him this was due to information on their credit files it didn't say what this was. Mr A says he can't understand why Nationwide considers them a lending risk or even why it needs to check affordability.

Our investigator said there wasn't evidence that Mr A and Ms G had applied to port on a like for like basis. The applications it had records of were for higher amounts or in a single name. Our investigator said if Mr A and Ms G still want to move they will have to make an application, which will be subject to checks. She said Mr A and Ms G's broker should be able to guide them through the process.

Mr A said they weren't complaining about applications where they asked for additional borrowing, or made an application in one name. He said their complaint is only about a joint application to port on a like for like basis.

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.

Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mr A and Ms G took out a tracker product in 2008. The product offer says an early repayment charge (ERC) applied for the first five years of the product term. The product is portable. In late 2022 Mr A and Ms G decided to move home and port the mortgage.

Rules on mortgage regulation require lenders to carry out strict affordability tests before offering or varying a mortgage. There are limited exceptions to this.

If Mr A and Ms G had made a joint application for a loan of the same amount as their mortgage balance, it's likely Nationwide would have been able to rely on an exception to port the mortgage, despite any concerns it might have had about affordability. We'd usually consider it unfair for a lender to decline a porting application on the basis of affordability if an exception applies.

I should say that this doesn't mean Nationwide can't check affordability. And it doesn't mean that it can't decline an application for reasons other than affordability.

Nationwide provided its records of Mr A and Ms G's applications in September 2022. They submitted a joint application with additional borrowing (which Nationwide declined). Mr A then submitted an application in his sole name. Mr A and Ms G didn't submit a joint application for a loan of the same amount as their mortgage balance. They didn't make a like for like porting application.

I can't fairly find that Nationwide should have processed an application in Mr A's sole name as if it was a like for like porting request when this wasn't the case.

Mr A says they are effectively trapped in their product and property. It's not clear why he says that. If Mr A and Mr G haven't changed product since 2008 there's no ERC payable if they repay the mortgage or switch products. Nationwide's mortgage adviser told Mr A there was no ERC payable in an email in late September 2022, but they can check this in their annual statement or with Nationwide.

Mr A says Nationwide told him the joint application was rejected because of information in a credit report, but didn't say what this information is. While I understand that Mr A wants to know more about this, I don't think it's fair and reasonable to require Nationwide to provide further information. If Mr A and Ms G want to check their credit reports, they can ask for copies from the credit rating agencies or services which provide copies free of charge.

If Mr A and Ms G are concerned about whether they'd be offered a mortgage by other providers, they might consider taking independent mortgage advice as to what their options are. If they do want to port their Nationwide mortgage product they will need to make an application to Nationwide. I'd expect Nationwide to consider the application fairly and in accordance with rules on mortgage regulation.

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 A and Ms G to accept or reject my decision before 3 November 2023.

Ruth Stevenson
Ombudsman