

## **The complaint**

Mrs H and Mr H are unhappy that Santander UK Plc declined their application to port their existing mortgage to a new property.

## **What happened**

Mrs H and Mr H made an application to Santander, via their mortgage broker, for a decision in principle to port their existing mortgage and borrow additional funds. But their application was declined because of a default recorded by a third party on Mr H's credit file. Mrs H and Mr H weren't happy about this because Mr H disputed the default with the third party. And Mrs H and Mr H also weren't happy that Santander also declined an application to port their existing mortgage with no additional borrowing on the same basis. So, they raised a complaint.

Santander responded to Mrs H and Mr H and explained that the default on Mr H's credit file meant that they weren't willing to provide any additional lending to Mrs H and Mr H. Santander also didn't have any record of Mrs H and Mr H applying to port their mortgage without any additional borrowing. Mrs H and Mr H weren't satisfied with Santander's response, so they referred their complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Santander had acted unfairly in how they'd managed the situation. Mrs H and Mr H remained dissatisfied, so the matter was escalated to an ombudsman for a final 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.

Mrs H and Mr H have explained that Mr H disputes the default the third party has recorded on Mr H's credit file. But any dispute that Mr H may have in this regard is with the third party that recorded the default on his credit file. And given that the default is present on Mr H's credit file, I feel that it's fair and reasonable for Santander to take that default into account on face value when assessing any application that Mrs H and Mr H might make to them.

Mrs H and Mr H applied to port their existing mortgage and borrow additional funds on 4 August 2023. Santander declined this application because the default on Mr H's credit file meant that they weren't willing to lend additional funds to Mrs H and Mr H.

I'm satisfied that it's for Santander to decide whether they are willing to provide any additional lending to Mrs H and Mr H. This has been acknowledged by Mrs H and Mr H, who have explained that their complaint is that Santander declined the application they later made to port their existing mortgage without any additional lending.

Santander have provided notes from a call that took place on 7 August 2023, when Mrs H and Mr H logged a complaint that their application to port their mortgage and borrow additional money had been declined. Santander's notes explain that Mrs H and Mr H

discussed the possibility of porting their mortgage without taking any additional borrowing at that time. But Santander's notes also explain that Mrs H and Mr H discussed that point as a query only, with Santander's agent advising that an application on that basis could be made by Mrs H and Mr H, but that it would be subject to Santander's approval.

Santander have also confirmed to this service that, where a mortgage is to be ported with no additional borrowing, that they will consider the merits of that application when a default is present – although it ultimately remains for Santander to decide whether to approve such an application or not. But Santander have reiterated that they have no record of ever receiving such an application – to port their mortgage with no additional borrowing – from Mrs H and Mr H. And I find Santander's explanation in this regard to be persuasive.

I take this position not only because Santander have no record of receiving such an application from Mrs H and Mr H, but also because Mrs H and Mr H haven't been able to provide any evidence of making such an application, such as a confirmation from Santander that an application of that type had been received. Additionally, Mrs H and Mr H haven't explained how, given that they'd initially requested further borrowing, their requirement for further borrowing to be able to afford the property in question had been met.

All of which means that I feel it's more likely than not, given what I've explained above, that Mrs H and Mr H didn't make an application to port their mortgage without any further borrowing as they've suggested, and that any enquiries that Mrs H and Mr H made with Santander about such an application weren't progressed beyond that stage to an actual application. However, Santander have confirmed that they're willing to consider such an application from Mrs H and Mr H, should Mrs H and Mr H submit one to them.

All of which means that I don't feel that Santander have done anything wrong or acted unfairly here as Mrs H and Mr H contend. And it follows from this that I won't be upholding this complaint or instructing Santander to take any further or alternative action.

I realise this won't be the outcome Mrs H and Mr H were wanting, but I hope that they'll understand, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 12 June 2024.

Paul Cooper  
**Ombudsman**