

## **The complaint**

Mr M has a joint mortgage with a person I'll refer to as "Miss H". The mortgage is with Santander UK plc ("Santander"). He complains that Santander applied a new interest rate product to the mortgage without his consent.

## **What happened**

Mr M says he separated from Miss H in 2019 and made Santander aware of the situation. He says he was assured that no changes could be made to the mortgage without his consent. However, in late 2022 Santander gave Mrs M a new fixed interest rate product on the mortgage without his permission. Previously the mortgage had been on a variable interest rate.

Mr M says he feels ignored/bypassed and that Santander has sided with Miss H in his dispute with her. He points out that he has equal rights to the property in question. He says he wouldn't have agreed to the new fixed interest rate product but he's affected by it now.

Santander said it didn't make a mistake when it applied the fixed interest rate product to the mortgage. It said it had the right to allow it to be changed with the consent of one of the joint parties as long as no detriment was caused to the other account holder. It didn't think there was any detriment to Mr M as the new product didn't have an early repayment charge ("ERC") or booking fee, so no charges would apply if the property was to be sold.

Mr M disagreed so he complained to the Financial Ombudsman Service.

Our investigator looked into the matter. He said he could understand why Mr M was annoyed if he was given incorrect information in 2019 about whether Santander could make changes to the mortgage without his consent. But he didn't think the new product caused Mr M any detriment because it didn't have an ERC or booking fee. So it didn't put in place a barrier to the property being sold. He thought Santander was right to give Miss H the fixed interest rate product given what she'd told it about her circumstances.

Mr M remained unhappy and asked for his complaint to be reviewed by an ombudsman, so it has been passed to me to decide.

## **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.

Having done so, I've reached broadly the same conclusion as our investigator. I'll explain why.

I'll begin by saying that I understand why Mr M is annoyed by what has happened. He is the joint mortgage holder so he (along with Miss H) is jointly and severally liable for the mortgage. He is clear that Santander assured him in 2019 that it understood there was a dispute between him and Miss H and that no changes could be made to the mortgage

without his consent.

In the circumstances I can understand why he feels he should have been consulted about the fixed interest rate product.

However, Santander was required to consider the best interests of both customers in relation to the mortgage. Miss H asked for the fixed interest product and explained her circumstances for wanting it. Having considered the information Santander has provided me with I can't say that it was wrong to give Miss H the product she asked for it as it considered it to be in her best interests. The new mortgage product didn't have an ERC or a booking fee that might put a barrier/disincentive in place to stop the property being sold as Mr M wanted. Mr M has told us he doesn't think the interest rate was in his best interests. He thinks that if the mortgage remained on the variable interest rate, Miss H would have been more likely to sell the property, as he wanted. I understand his position, but I'm not persuaded it was in the best interests of either party (each of whom were jointly and severally liable for the mortgage) for the costs of maintaining it to be higher than they needed to be. If the mortgage was to fall into arrears both Mr M's and Miss H's credit files would be affected. That would have an impact on both of them if they wanted to get credit in the future.

It's clear that Mr M thinks Santander acted unethically in this case. He has asked me to comment on that. I don't think it has for the reasons set out above.

Mr M has also complained that he wasn't provided with the terms of the new product. I can see that Santander wrote to him at the address we have on file for him in late 2022 to say that the transfer to the new mortgage product had been completed. However, I can't see (from the information provided to me) that he was sent the terms of its offer before that. I can appreciate how this added to Mr M's feeling that he'd been side-lined, and that the fixed rate product was imposed on him. I don't underestimate Mr M's strength of feeling about this issue. If he'd received Santander's offer before it was accepted by Miss H he would have been in a position to speak to Santander about it sooner. However, I think it's unlikely that it would have changed the outcome of what happened. I say that because I think it's likely that Santander would have given Miss H the fixed interest rate product anyway for the reasons set out above – even if it was clear in advance that Mr M didn't want it to be applied to the account.

In the circumstances, and taking the matter as a whole, I don't think Santander needs to do anything to resolve this complaint. I can see why Mr M has been frustrated by Santander's handling of the issues raised in this complaint, but I can't say that Santander made a mistake when it applied the fixed interest product to the account. Nor do I think it would be fair and reasonable for me to require it to compensate Mr M for its handling of this matter.

### **My final decision**

For the reasons set out above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 26 December 2023.

Laura Forster  
**Ombudsman**