

The complaint

Mr and Mrs L complain that Santander UK Plc (Santander) has removed the Deedsafe scheme as they paid for a lifetime service.

What happened

Mr and Mrs L say that when they redeemed their mortgage in 2003 they paid for Santander to hold the title deeds for their property for life. Without discussion, Santander said it was removing this service in April 2023. Mr and Mrs L says that Santander has made a forceful change and disregarded the costs they will have to pay. Mr and Mrs L say Santander should keep the title deeds for life as agreed or pay for all transactions for them to be logged with the Scottish Land Registry.

Santander says that it never agreed that the Deedsafe scheme was a lifetime service and was within its rights to remove this and gave notice of the service finishing. Notwithstanding this, it says that it appreciates that Mr and Mrs L paid the £65 fee believing they were paying for a lifetime service. Therefore, Santander has offered to refund the fee as a gesture of goodwill.

Our investigator looked into the complaint and found that Santander was entitled to make the decision to discontinue its Deedsafe service and that it provided reasonable notice to Mr and Mrs L of this. The investigator thought Santander's offer to refund the £65 was fair.

Mr and Mrs L have disagreed with this and the case has come to me to make a decision. They say that Santander gave a clear impression that the service was for life at the time it was taken out and this only changed after 20 years. They also say that £65 was worth a lot more 20 years ago so the refund of this amount is unfair.

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 looked at the evidence I agree with the investigator's view for broadly the same reasons and I've explained my reasons further below.

Whilst I accept that Mr and Mrs L were under the impression that the Deedsafe service was for life, and I can't see that an end date was stipulated, I don't have enough evidence to conclude that this was something they were specifically told by Santander.

In any event, Santander is entitled to make a commercial decision to choose which products and services it offers to customers. So I think it was entitled to discontinue the Deedsafe service, provided it gave sufficient notice to customers. I've seen a copy of Santander's internal processes in relation to the closure of its Deedsafe scheme. This included writing to impacted customers to explain that their deeds will be returned within six weeks of the letter and explaining the process.

I can see that Santander wrote to Mr and Mrs L on 29 April 2023 to inform them that it was closing the Deedsafe scheme. As a result, it said that it would be returning to customers all deeds and documents it held relating to their property within six weeks. Santander

suggested that, to remove its interest in the property, Mr and Mrs L contacted their solicitor to remove its security or, alternatively, deal with the discharge formalities directly with the Register of Scotland. So I am satisfied that Santander adhered to its internal processes.

I can see that Santander applied a deeds handling charge of £99 to Mr and Mrs L's redemption balance along with a £65 charge for the Deedsafe scheme. Santander has explained that the deeds handling charge is applicable to all accounts upon redemption. It has agreed to refund the £65 Deedsafe fee (which was non-refundable) as a gesture of goodwill and I am satisfied that this is fair in the circumstances.

I won't be asking Santander to pay interest on this figure as, for the reasons set out above, I don't think Santander has acted unfairly in discontinuing its Deedsafe scheme and it has provided Mr and Mrs L with reasonable notice of the change. Likewise, removal of Santander's charge and registering the property with the Register of Scotland weren't services which were included as part of the fee paid by Mr and Mrs L. Therefore, I will not be asking Santander to pay any costs associated with either of these to Mr and Mrs L.

Santander has already made an offer to refund £65 to Mr and Mrs L and I think the offer is fair in the circumstances.

My final decision

For the reasons I've explained above, I don't require Santander UK Plc to do anything further to compensate Mr and Mrs L.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L and Mrs L to accept or reject my decision before 11 January 2024.

Rachel Ellis
Ombudsman