

## **The complaint**

Mr H complains Newcastle Building Society removed him from the mortgage he held jointly with his ex-partner without his authority. And he says they refused to give him information about the mortgage, which affected his negotiations with her when he was buying her out.

## **What happened**

Mr H and his ex-partner had a mortgage with Newcastle that was secured over a property they owned jointly.

In February 2023 the ex-partner's solicitors sent Newcastle a transfer deed (TR1) signed by Mr H. Under the terms of the TR1 Mr H agreed to transfer his share of the property to his ex-partner and another person in return for a payment of around £4,880 and his release from the mortgage.

The solicitors' covering letter asked Newcastle to seal and return the TR1 so completion could be co-ordinated before the mortgage offer ran out a couple of weeks later. The solicitors said they'd let Newcastle know once completion had taken place and the TR1 had been dated so they could update their records.

In March 2023 Mr H contacted Newcastle to complain he'd been removed from the mortgage without his authority. He was unhappy when they failed to give him information about the mortgage as he'd been removed from it. And he said Newcastle's actions had adversely affected his negotiations for a higher payment from his ex-partner.

Newcastle acknowledged that if they'd clarified the solicitors' letter it might have confirmed Mr H's removal from the mortgage shouldn't have gone ahead at that point. They apologised for not providing him with information about the mortgage when he first complained and said they'd initially been uncertain about the information they could provide. They offered to reinstate him and the terms of the mortgage that had been in place before a new product with higher early repayment charges (ERCs) had been processed following the transfer. And they offered Mr H £50 compensation for the impact on him of their mistakes.

Mr H didn't accept Newcastle's outcome to his complaint. He said their actions had impacted his negotiations with his ex-partner for a higher payment; although she'd agreed to an increased amount of £6,000, it should have been double that; and the £50 compensation Newcastle had offered to put things right wasn't enough. Mr H brought his complaint to the Financial Ombudsman Service.

Our investigator didn't think Newcastle had acted unfairly in removing Mr H from the mortgage account or in refusing to provide him with information about the mortgage afterwards. And she thought the compensation they'd offered of £50 was fair. Although she asked Newcastle if they'd be prepared to increase the compensation, and they agreed to offer a higher amount of £150, Mr H didn't accept that. And our investigator confirmed her original view still stood.

Since Mr H's complaint hasn't been resolved, it's 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.

I'm sorry to hear of Mr H's difficult personal circumstances and the stressful time he's been through. I can understand he was disappointed to be paid less by his ex-partner than he felt was fair for his share of the property.

Newcastle acknowledged they could have clarified with the solicitors whether they should process the transfer of the mortgage when they received the TR1. But, on balance, I don't think they acted unreasonably at the time. The TR1 had been signed by Mr H. On the face of it he'd agreed a payment of £4,880. I'm not aware of any reason why Newcastle should have suspected he might want to negotiate a higher payment. It was reasonable for Newcastle to think he was happy for the transfer to go ahead on the terms set out. And according to the solicitors' letter, the mortgage offer was due to expire in a couple of weeks, so it was fair for them to act on the TR1 promptly. In all the circumstances, I don't think it was unreasonable for Newcastle to go ahead and process the TR1 at the time.

It wasn't unreasonable for Newcastle to hesitate in discussing the mortgage with Mr H when he rang initially. He'd been removed from the mortgage and Newcastle had valid concerns about sharing information. They looked into things quickly and within a few days they'd confirmed the mortgage balance to him. Newcastle sought confirmation from his ex-partner's solicitors they could reinstate him to the mortgage, and they offered to do so. And once they'd got the confirmation they'd requested a few days later, they checked if Mr H wanted to go ahead with the reinstatement. But Mr H held off on that while he discussed things with his ex-partner.

The exchanges between Mr H and his ex-partner suggest they were both aware the terms of the mortgage shouldn't have changed and could be reinstated. But I can see there was some confusion about the ERCs that applied. Mr H understood they were lower than his ex-partner had been told. And on investigation Newcastle found that a product transfer had taken place after they'd processed the TR1 and higher ERCs applied to the new product.

Newcastle's notes suggest they let Mr H and his ex-partner know the product transfer had been reversed and that the lower ERCs applied. It's not clear if they were aware of that before reaching an agreement. But, on balance, I'm not persuaded the ERCs – even if they were a factor - affected the outcome of the negotiations on their own. The ex-partner's concerns were about the risks and overall costs associated with selling the property, losing her mortgage offer and what she could afford to pay Mr H with family help. The ERCs, even at the higher level, were a limited part of the costs and only one of several factors affecting what the ex-partner was prepared to offer Mr H. And Mr H told Newcastle the ERCs had become irrelevant since the property wasn't going to be sold.

Considering everything, it wouldn't be fair to hold Newcastle responsible for the settlement figure Mr H was able to negotiate, even if I thought they'd been wrong to process the TR1.

Even though Newcastle felt they could have interpreted the solicitors' letter differently and asked for clarification about whether they should process the TR1, it wasn't unreasonable for them to act on it. I can understand it was frustrating for Mr H that Newcastle didn't provide information about the mortgage straight away, but they had valid reasons for not doing so initially. And they offered to reinstate Mr H to the mortgage once they understood his situation. Overall, I think Newcastle treated Mr H fairly and that Newcastle's apology and offer of compensation of £50 were fair compensation for the impact on Mr H of their short delay in providing mortgage information.

Bearing everything in mind, whilst I understand Mr H will be disappointed, I don't uphold his complaint.

### **My final decision**

For the reasons I've explained, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 22 December 2023.

Julia Wilkinson  
**Ombudsman**