However this treaty did have complications, the arrangements for the marriage had various problems such as: Ferdinand was reluctant for it to go ahead while Perkin Warbeck challenged the throne; Henry and Ferdinand argued over the size of Catherine's Dowry. In 1502, Arthur died and Ferdinand lost interest in trying to arrange an alliance with England, then in 1504 Henry lost interest in Ferdinand when Isabella of Castile died. In 1504 when Isabella of Castile died, Philip of Burgundy, married to Juana, Catherine of Aragon's sister, became the rival of Ferdinand of Aragon for the regency of Castile. Henry VII had to choose. His policy veered towards Philip. In 1506 Philip sailed for Castile but was shipwrecked and forced to seek refuge in England, playing to Henry's advantage. Henry was able to sign the Treaty of Windsor with Philip while he was in England. One outcome of this was the **Intercursus Malus**. In this Henry demanded a much better trade deal for English merchants in the Burgundy, although it was signed the trade deal was never enforced because the **Intercursus Magnus** took Priority and part of it was restoring all trade links. Another outcome was that Maximilian and Philip agreed to hand over the Earl of Suffolk, a Yorkist fugitive, who Henry imprisoned in the tower. However, Philip died soon after arriving in Spain, leaving Ferdinand to be Regent again, which ensured in Henry VII's lifetime no agreements with Spain would take place.

**Scotland**
- A natural enemy of England

Problems with Scotland arose when King James IV of Scotland offered hospitality to Perkin Warbeck, a Yorkist pretender challenging Henry's throne. In addition to this, James IV granted him a pension and encouraged Warbeck to take an army across the Scottish Border. However the army quickly retreated after news that a large army from Newcastle was heading their way. Henry decided to raise taxes in order to launch an invasion of Scotland however this angered many people in England and sparked the Cornish Rebellion. Henry had to quickly sign a peace treaty with Scotland, the **Treaty of Ayton**, before dealing with the rebellion.

In 1503 King James married Henry's daughter, the princess Margaret, improving relations with Scotland.

Henry was successful in ensuring the dynasty of the Tudors.

**Henry's VII successes**
- Brittany Crisis (Bettered his financial position and improved national security, also improved his dynastic security. Although quite lucky)
- Burgundy (Protected English Trade)
- Scotland (Secured Dynasty although did have to deal with large scale rebellion)

**Henry's VII Failures**
- Spain (Didn't achieve much other than the capture of a Yorkist, a few failed marriage alliance attempts and in the end England and Spain were on bad terms)