

The complaint

Mr B complains that his bank, Barclays Bank UK PLC, failed to remove its mortgage charge on some land he owned despite promising to do so when the mortgage was repaid. He said he was passed around several different departments of the bank and received poor service.

What happened

I set out the background to Mr B's complaint in my provisional decision, and here.

Mr B redeemed his mortgage in September 2020, but found that Barclays hadn't removed the charge. Barclays thought that Mr B's land ownership wasn't correctly recorded at the Land Registry. Mr B contacted Barclays on many occasions to get this resolved and was incorrectly informed that the charge was being released, and he complained to Barclays.

Barclays looked closer and found a business mortgage charge which it said its business team needed to release. It explained to Mr B that a charge isn't automatically released when a debt is repaid, this has to be requested by the customer.

Barclays has said that as this was a business lending charge, if the business was a limited company, there would be no impact on the personal credit files of any persons involved with the company. Barclays' final response to Mr B's complaint in October 2021 upheld it concerning the time taken to resolve the complaint and not clearly explaining the process. It paid Mr B £150 compensation by way of apology.

In May 2022 Barclays said it had applied for release, but this hadn't been completed by the Land Registry and Mr B should contact the Land Registry to see what it requires. Mr B wasn't satisfied and referred his complaint to us in September 2022. He said Barclays' failure to act on its promise to remove the charge 'cost us our relationship for say three years'. He said Barclays made a mistake on his deeds which led to conditions placed on his bank account which spoilt his ability to obtain credit.

Our investigator said that matters dealt with in Barclays' final response of 22 October 2021 were outside the time limit set by the rules. But he did look at Mr B's complaint about the impact of Barclays delay in removing the charge as Barclays hadn't considered this. The investigator reminded Mr B of his request to send information to demonstrate that he'd been caused loss, but the investigator said he hadn't received anything.

The investigator said the charge had now been removed. He said he hadn't been provided with any information about the business to which the charge related or the people involved with it, nor anything to demonstrate an impact on Mr B's credit file from the charge being in place for longer, and he couldn't determine any loss.

Mr B said there was a lack of depth to our investigation and his complaint has been referred to me as an ombudsman to consider. In September 2023, I issued a provisional decision for this complaint and explained why I was not minded to uphold Mr B's complaint as follows; -

'What I've provisionally decided – and why

From what Mr B has said I understand the impact of the events he has described to be that lending was denied to him because of an adverse credit record relating to the mortgage charge that Barclays failed to release and conditions were placed on his account. He said he had to apply for expensive short-term credit to meet building and other costs and this cost him up to £10,000. He said that although Barclays said it wants to settle his complaint, its compensation hasn't come close to his losses or the inconvenience he has been put to.

I agree with the investigator and Barclays that issues concerned with this complaint were referred to our service outside of the six-month time limit permitted by the rules for this. However, Mr B complained subsequently about the impact of the delay upon him, and this is an issue referred in time and which I can consider.

I asked Barclays for more information about Mr B's complaint. Barclays said it identified two charges on the property, which included the property and adjacent land. When the mortgage completed the charge was released in September 2020, but the second charge related to a business and wasn't released. Mr B raised this to Barclays via his solicitor in April 2021, but his request came to its mortgage team and the business charge wasn't located. Barclays said this wasn't explained clearly to Mr B until its letter of October 2021. And it advised Mr B that its business team would need to speak with him to fix this issue, but they couldn't reach him, and so this wasn't resolved until April 2022 when his solicitor made contact again.

Mr B described the effects of this issue as Barclays placing conditions on his account which restricted payments he tried to make, and that Barclays spoilt his ability to obtain credit. Barclays is unsure what Mr B means when saying his payments were restricted on the account, or what account he was looking to borrow from. Barclays said borrowing by Mr B would have been reported to credit reference agencies in the normal way, alongside information about his other accounts. Barclays said it hadn't restricted Mr B's access to credit. It said he took out a loan in 2019 but 'there are no active accounts with access to credit showing on Mr B's profile'.

Regarding the time taken, Barclays said it attempted to remove the mortgage charges as quickly as possible, but delays ensued from Mr B not contacting its business team regarding the business charge and its difficulty in contacting him. Barclays said the charge could have been released sooner if there had been clearer communication from both sides. It said the last note on Mr B's account in April 2022, advised that the charge had been found and would be released within three working days, but that Barclays would need to speak to Mr B. There are no further updates following this note.

I'm pleased that Barclays has explained and apologised to Mr B for its delay in removing the charge after it said this would happen. I think the problem was that when the mortgage concluded, Mr B overlooked that he had business charge on the property as well as a residential mortgage. And Barclays hadn't appreciated this either and so belatedly referred this to its business team to effect release. Ideally Mr B would have raised his mortgage issue with Barclays' business team as they were the owners of the business charge. Mr B didn't do that and was difficult to reach by phone, however I think Barclays ought to have checked across its departments for evidence of all charges relating to his property. From what I've seen, Barclays has since cancelled the mortgage charge and removed it from its records. Barclays has said that as the mortgage charge complained of related to a business lending charge, if the business was a limited company, there would be no impact on the personal credit files of any persons involved with the company. This means there shouldn't have been a personal impact from the delayed removal of the charge on Mr B. Barclays says there's no adverse credit information on Mr B's credit file.

However, Mr B has said he owes over £10,000 for the higher cost credit he had to get when Barclays took two years to realise the mistake it made on his deeds, and this caused him

stress. The investigator requested Mr B provide a copy of his credit file and details of any declined credit applications, but Mr B hasn't provided any of the information requested and so we haven't seen any evidence to support any losses. In order to consider the complaint further I need Mr B to provide this information and details of the conditions he says were placed on his account by Barclays which restricted payments he's tried to make. And more information about 'the mistake' he says Barclays made on his 'resolve account'.

It would also help if Barclays could explain why it needed to speak to Mr B once his solicitor had made requested the removal of the business charge. As Barclays knew Mr B wanted the second charge removed, further delay seemed inevitable. And say what, if any, was the issue concerning the Land Registry to which it referred in its letter to Mr B of May 2022. It would help if Barclays could also say if it limited the amount of borrowing available to Mr B during this period.

I was sorry to learn of the disturbance caused to Mr B's life from the delay in Barclays removing the charge but It's not clear to me from Mr B's letters what losses Barclays have caused him and so it wouldn't be fair or reasonable for me to require Barclays to pay recompense. I currently think Barclays' apology and payment of £150 compensation is about right for the impact of its delayed and unclear response to Mr B's enquiries. And it follows that I don't require Barclays to take any further action in relation to Mr B's complaint.

My provisional decision

Subject to any further information that I receive, I currently intend to decide that the complaint is not upheld.'

The parties' responses to the provisional decision

Mr B responded to say that he has heard from us that the Land Registry error has been dealt with, but he would like to know how. He said Barclays had also told him that he had made a mistake with the loan he took out in that he had not read the conditions. Mr B agreed with this but said he hadn't made the loan the subject of a complaint. He said his complaint (only now identified) is about the time taken by Barclays to reach a conclusion.

Mr B attached letters he and Barclays had sent each other over the last few years including Barclays' letter of 9 August 2023 in which it says the loan Mr B has complained about was explained at the time and he hadn't appreciated the terms.

In response to the provisional decision and the questions I raised therein Barclays confirmed that the charge at the Land Registry on Mr B's property had been released in May 2022 and its contact with him about this subsequently was for him to check the charge had been released if he wished. Barclays said Mr B had raised the issue about not having lending limits available when he wanted to apply for borrowing. Barclays said that as no application was completed, it can't say why they weren't available.

Barclays explained that lending limits use information from credit reference agencies and information it holds, and many reasons could prevent limits from being available to a customer. It said there are still no limits for Mr B which means he can apply for lending with Barclays, but there are no pre-approved loans or overdrafts available to him. Barclays said that any lending previously available to Mr B would have remained in place and there were no restrictions placed on his accounts during the period related to his complaint.

Barclays said it couldn't find a specific reason why Mr B was required to speak to its business team when the mortgage ended. Although, Barclays thought it was likely that the

purpose of the call was to confirm information with the customer and gather any additional information regarding the business that may be required.

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.

Mr B is correct to say that the present complaint does not concern a loan he took out with Barclays, it concerns Barclays' failure, or delay in removing its mortgage charge on some land he owned despite promising to do so when the mortgage was repaid. Mr B says that the impact of this was that lending was denied to him because of an adverse credit record relating to the mortgage charge that Barclays failed to release, and that conditions were placed on his account.

Having reviewed all of the information about this complaint again and the responses to my provisional decision, I remain of the view that I don't have sufficient evidence in order to uphold the complaint. I will explain my reasons.

Mr B has referred to Barclays' letter in which it states that his issue with the Land Registry has been resolved. So far as I'm aware, the charge at the Land Registry on Mr B's property was released in May 2022 and Barclays subsequent contact with him about this was for him to check this with the Land Registry if he wished. I'm not aware of any outstanding issue with Mr B's entries at the Land Registry. Mr B can contact the Land Registry if he wants to check.

I thought again about delays in Barclays' handling of the charge on Mr B's property. Barclays said it couldn't find a specific reason why Mr B was required to speak to its business team when the mortgage ended, but thought it likely that a call would confirm information with Mr B and gather any additional information required. I can't be sure this step was needed, but the delay from this only lasted from April to May 2022 when the charge was released.

As to more significant delays, Barclays appears to have attempted to remove the mortgage charges as quickly as possible, but said that lack of contact with Mr B slowed things down. I agree with Barclays' comment that the charge could have been released sooner if there had been clearer communication from both sides. I remain of the view that communications were affected by Mr B overlooking that he had business charge on the property as well as a residential mortgage, and Barclays not appreciating this either, and so it made a belated referral of the charge to its business team.

Barclays apologised to Mr B and paid him £150 compensation for the impact of its delayed and unclear response to Mr B's enquiries. Mr B said the impact of this was that lending was denied to him because of an adverse credit record relating to the mortgage charge that Barclays failed to release and conditions were placed on his account. He said he had to apply for expensive short-term credit to meet building and other costs and this cost him up to £10,000.

Barclays said Mr B had raised the issue about not having lending limits available when he wanted to apply for borrowing. Barclays said that as no application was completed, it can't say why they weren't available.

Barclays explained that lending limits use information from credit reference agencies and information it holds, and many reasons could prevent limits from being available to a customer. It said there are still no limits for Mr B which means he can apply for lending with Barclays, but there are no pre-approved loans or overdrafts available to him. Barclays said

that any lending previously available to Mr B would have remained in place and there were no restrictions placed on his accounts during the period related to his complaint.

From what Barclays has said and the lack of any adverse credit information about Mr B it's not possible to say that he has been denied or restricted in his borrowing from Barclays. Barclays has said that the business charge didn't affect Mr B's scope for borrowing from it and so I haven't found any adverse impact on him from the way his account has been handled.

The investigator and I have tried to find information that would provide insight into Mr B's complaint. However, this complaint still lacks the detail and supporting evidence to enable a fuller investigation to be carried out. If Mr B has retained a professional adviser he may wish to ask them to contact Barclays further about the complaint issues.

My final decision

For the reasons I have given here and in my provisional decision it is my final decision that that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 10 November 2023.

Andrew Fraser
Ombudsman