

The complaint

P, a company, complains about the failures of Barclays Bank UK PLC to respond to its requests when it attempted to change from variable rate mortgages on three accounts to fixed rate mortgages between November 2021 and August 2022. P says that as a result it has had to make higher payments as interest rates increased since it attempted to do this.

What happened

P had three secured term loans with Barclays. In November 2021, P contacted Barclays about remortgaging and waited to hear from Barclays but apart from a missed call, got no contact. In May 2022, P again contacted Barclays looking for the mortgage terms and interest rates. Barclays initially sent certificates of interest and later, after P contacted the bank, it provided the information that P wanted.

Our investigator agreed with P that there had been poor service causing inconvenience to P and thought that an award of £200 was appropriate. But our investigator didn't accept that Barclays caused financial loss as there was no guarantee that lower rates would have been available to P. P disagreed saying in summary that it was offered loans in November/December 2022 so it would have been offered loans earlier but at better rates of interest.

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.

P made initial enquiries from Barclays about refinancing loans in November 2021 and again in May 2022. Barclays accepts that its service was unsatisfactory by, in November, not replying to an email at that time, and then, at the end of May 2022 instead of sending its mortgage terms and interest rates, it sent Certificates of Interest related to the three accounts. Barclays seems to have rectified this by sending out what P requested at the end of June.

P then contacted Barclays in August 2022 about a rate change from variable to fixed and further borrowing of £50,000.00. Barclays came back after a review of the accounts with Indicative rates but said it couldn't guarantee those rates without a full credit application and senior management review. Barclays accepted that there had been poor service and offered £50 by way of apology. Our investigator also accepted that there was poor service but that more appropriate compensation for the inconvenience caused by those service issues would be £200, and I agree with that and uphold the complaint on that basis.

The remaining issue is whether P suffered any financial loss because of Barclays poor service. In its complaint form P says this is a complaint *"regarding the variable rate mortgage which he had been attempting to change to a fixed rate between November 2021 and August 2022."* Does a review of the complaint show that P was trying to do this during that period? I don't believe so. There was some activity in November 2021. P submitted an enquiry about refinancing by remortgaging. It seems Barclays called back at an unsuitable

moment and P emailed to remind Barclays to make contact. There that contact ended. P blames Barclays failure to get back to him as causing P to remain on an unfavourable interest rate. But if P was eager at that stage to pursue the enquiry and to remortgage it's likely that he would have made a stronger effort to begin negotiations with Barclays about a change to the interest terms. It's not as if Barclays was refusing to deal with P, and P knew that if new terms weren't agreed with Barclays the accounts would remain on the existing terms and that's what happened. The lack of contact by P with Barclays suggests that P had other priorities at this time rather than attempting to fix the interest rate on the mortgage. In my view, P's failure to further engage with Barclays beyond the efforts listed above in November 2021 meant P stayed on the existing mortgage after November 2021.

In May 2022 P asked for the mortgage terms and interest rates on the existing mortgages. Barclays sent certificates of interest and P again requested that information on 10 June. That P had to re-ask indicates poor service by Barclays, but I can see no mention being made by P in those email requests of 26 May 2022 and 10 June 2022 that the information was required for the purposes of a re-mortgage. So, I can't fairly uphold a complaint that Barclays caused financial loss related to a re-mortgage application if its unaware that P is making a remortgage application. For the above reasons, my view is that I don't consider that it was Barclays errors that caused P financial loss by missing out on the more favourable interest rates that were available prior to August 2022.

Our investigator came to the same conclusion on somewhat different grounds, but I believe these are also relevant. Our investigator couldn't be sure that if an application for increased lending and a fixed rate mortgage was made before August 2022 that it would be successful. In asking Barclays in September 2022 to push forward with his application the managing director of P notes that whereas he had been paying his ex-wife £2,600.00 per month since July 2019 that this was reduced to £250.00 per month from August which, he says, made the additional lending entirely affordable. This may explain why P didn't make the application before August 2022 and it seems to recognise that there was a greater chance of the application being successful after August than it would have been beforehand. So, the fact that the remortgage application was eventually successful was no indication that it may also have succeeded before August 2022..

Putting things right

Barclays Bank UK PLC should pay P £200 less the £50 already paid.

My final decision

I uphold this complaint and require Barclays Bank UK PLC to pay P £200 less £50 already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 30 January 2024.

Gerard McManus
Ombudsman