

## **The complaint**

Miss A and Mr C complain that Barclays Bank UK PLC didn't allow them to progress their mortgage application for a further advance which meant that they lost out on the interest rate that was available at the time.

## **What happened**

Miss A and Mr C had a mortgage with Barclays and wanted to increase their borrowing for home improvements and commenced their application at the end of 2021. They saw a mortgage product from Barclays that they wanted. The product was known as EMC Reward 7Yr Fixed 1.39% (GV82) mortgage product. Miss A and Mr C began the application, going through the process of demonstrating that the mortgage was affordable for them. As they were both self-employed this meant the production of some documentation they did not immediately have but they understood they had six months to complete the process. But Barclays closed the application before they had completed it and they would have had to recommence a new application with a higher interest rate. Miss A and Mr C complained.

In April 2022, Barclays responded to say that the underwriters had requested documents within a 30-day period and as these weren't received the application was closed by the underwriters. Our investigator recommended that this complaint should be upheld as Miss A and Mr C were misinformed about the time frame for providing documents and missed out on the opportunity to make the application in time to benefit from their chosen rate. Our investigator felt that Barclays should honour the original rate, refund any overpayment in interest, and pay £300 compensation for their distress and inconvenience. Barclays agreed with the outcome on the basis that Miss A and Mr C would make a new application and Miss A and Mr C at that stage also agreed.

But in October Miss A told us that in her view Barclays was not honouring the new agreement. Miss A and Mr C had meanwhile applied and got a mortgage offer and the product they wanted. The offer was dated 3 August 2023 and open for acceptance until 9 December 2023. The mortgage product ended on 30 November 2028. Their mortgage product was a seven-year product and Barclays was starting the clock running on this from 2021 and not from the date of the new mortgage offer. Miss A and Mr C were unhappy about that. Secondly, as they wanted to use the money for building at the property, as building costs had increased, they felt that Barclays should compensate them for that.

## **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.

My reading of this file is that there was confusion between the mortgage adviser and the underwriters about the time within which documentation was expected to be delivered to the underwriter and as a result Miss A and Mr C lost out on the opportunity to apply for the mortgage product referred to above. Both parties agree that the complaint should be upheld, and that Barclays should pay Miss A and Mr C £300 for their distress and inconvenience. The remaining dispute relates to implanting the terms of our investigator's view that Barclays

provide the mortgage product that Miss A and Mr C originally applied for and their request that Barclays compensate them for the inflation in building costs since they first began the application.

Such mortgage products will be available for a finite time and this one was available until November 2028 and that's what's now been made available to Miss A and Mr C. Miss A and Mr C say they were denied the advantage of this product from November 2021 until recently when, as I understand it, they drew down the further advance. That is true but they didn't borrow money in 2021. I could consider compensating them if they had taken further borrowing then, for the excess interest they had to pay. But as they didn't take out further borrowing, the question of compensation for that doesn't arise.

Miss A and Mr C wanted the extra loan for building works. They say that as the costs of the building works has gone up the extra cost to them should be paid for by Barclays. But Barclays didn't unfairly refuse them a loan in 2021, It prevented them accessing a particular mortgage product. If Miss A and Mr C applied to Barclays for a mortgage with a different mortgage product they may well have been successful and so could have started their building project back then. The failure to start the building project is not in my view because of Barclays failure to make available the above mortgage product. So, I can't fairly request Barclays to compensate them for that. I believe that the view of our investigator was a fair outcome to this complaint and Barclays appear to be implanting it fairly. My view is that £300 represents reasonable compensation for Miss A and Mr C's distress and inconvenience.

### **My final decision**

My final decision is that I uphold this complaint and Barclays Bank UK PLC should pay Miss A and Mr C £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A and Mr C to accept or reject my decision before 1 February 2024.

Gerard McManus  
**Ombudsman**