

The complaint

Mr K's complaint is that in October 2022 he was given incorrect information by Barclays Bank UK PLC about renewing the interest rate product on his buy-to-let (BTL) mortgage. As a result, he missed out on securing a new interest rate product at a lower rate than the one he later took out in January 2023.

To settle the complaint, Mr K wants Barclays to switch the mortgage onto the lowest interest rate he could have taken out in August 2022 (when Barclays sent an email about rate switching that went to his spam folder), and to compensate him for the additional interest he's been paying. Mr K would also like compensation for the time he's had to spend listening to undated, disordered audio files that were sent to him by Barclays.

What happened

I do not need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat all the details here.

In addition, our decisions are published, so it's important I don't include any information that might lead to Mr K being identified. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

Mr K has a BTL mortgage with Barclays. The events leading up to the complaint arose in October 2022.

On 5 October 2022 Mr K spoke to Barclays when he explained that his interest rate product ended in May 2023. He said he was aware that he could change his rate early, possibly up to six months in advance, and wanted to know at what point he could change his rate. This was a general call where no account-specific information was provided either by or to Mr K. He was told that the current timescales to change rates was 150 days, but that this might change to 180 days, and so Mr K should keep an eye on this online. The advisor explained that if the rate ends in May 2023, then Mr K would not be able to change the rate yet. She said that the rate switch could be done by speaking to a mortgage advisor, or through Barclays' website.

On 17 October 2022 Mr K spoke to Barclays again. He'd noted an email in his spam folder that Barclays had sent in August explaining how he could renew his interest rate product, and that the rate in fact was due to end on 31 October 2022. Mr K says that if he'd known about this sooner, he'd have changed the rate much earlier, or at the very least when he'd called on 5 October 2022.

During subsequent calls over the next day or so various interest rates were discussed, and the advisor said she would see if there could be a sanction to honour the rates that were

available on 5 October 2022. I think there was some confusion, with Mr K thinking that Barclays was going to honour the rates available on 5 October 2022, when this wasn't the case. Barclays' position is that the advisor was trying to see what Mr K's rate preference would have been, so that when the request was submitted to the relevant team to honour the rate, they would be aware of what rate Mr K would have liked.

In December 2022 there was another call where Mr K and Barclays discussed honouring the rates available on 5 October 2022. It was confirmed to Mr K that this had needed to be approved by the sanctions team. However, the request had been declined. This was because during the call on 5 October 2022, no account information had been provided, and so only general information had been given about the rate switch process.

Mr K complained to Barclays, but the bank didn't uphold the complaint. Barclays said that BTL mortgages were non-regulated and so no advice had been given by the bank.

Mr K brought his complaint to the Financial Ombudsman Service. An Investigator looked at what had happened but didn't think the complaint should be upheld.

The Investigator was satisfied that Barclays had explained to Mr K that the lower rates that were discussed with him that would have been available on 5 October 2022 would only be sanctioned if the complaint was upheld. The Investigator was satisfied that Mr K hadn't provided Barclays with the information about his account on 5 October 2022.

Mr K didn't agree with the Investigator's findings. He said that he'd been given incorrect information by Barclays. He was told to check on his banking app when his rate expired. He'd done this, but this was not the correct method, because for BTL mortgages information is only provided by letter and cannot be found online or via the banking app.

Mr K also said that at no point after 5 October 2022 had Barclays ever explained to him that a decision hadn't been made on whether or not to sanction the rates available on that date. It was only after he kept prompting Barclays to respond that Mr K was told that his complaint hadn't been upheld. This caused further delay and increased cost to him.

The Investigator raised this with Barclays, and the bank provided screenshots of Mr K's online document wallet which showed emails about the rate switch had been sent to him in August 2022. Barclays also provided a call from 17 October 2022 where Mr K confirmed he'd received the email sent to him in August 2022.

The Investigator considered what both parties had said, but still didn't think that the complaint should be upheld. Mr K asked for an Ombudsman to review the complaint.

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.

Having done so, I'm afraid I have disappointing news for Mr K; I'm not upholding the complaint. These are my reasons.

The mortgage offer is clear that the interest rate product on the mortgage is due to expire on 31 October 2022. This is a BTL mortgage, taken out for investment purposes. It is

unregulated, and so Barclays is not required to provide Mr K with advice, or manage his investment for him. Because this is considered a commercial mortgage, it's up to Mr K to manage the mortgage, including being aware of the date when the interest rate product is due to end. So I can't hold Barclays responsible for Mr K's initial mistaken belief that his interest rate product ended in May 2023.

Whilst the mortgage isn't subject to the regulatory protections available to residential mortgage customers, Barclays is still required to treat Mr K fairly and reasonably. The crux of Mr K's complaint is that on 5 October 2022 Barclays failed to check the date when his interest rate product was due to end. Mr K says this was "*extremely negligent*".

It's correct that during the call on 5 October 2022 no account details were requested by Barclays. However, this was a general enquiry, and I'm satisfied that Mr K was given information about how to switch rates based on what he'd told the bank, which is that he thought his rate expired in May 2023. There was no onus on the part of Barclays to request account information, given that Mr K was emphatic about when his rate was due to end. I also note that Mr K was told that he could switch his rate through online banking (not through the app, but through Barclays' website) or by making an appointment.

Mr K confirmed to Barclays during the call on 17 October 2022 that he'd received the email sent in August 2022 about his interest rate expiring, but that this had been in his spam folder. During that call, Mr K provided Barclays with incorrect information; he said that during his previous call (5 October 2022) he'd been through all the same security details as he'd just gone through (verifying the account details) but hadn't been told that his rate was due to expire.

But this wasn't accurate, as Mr K didn't provide any account-specific information or security details, and so hadn't been given any details of when his rate would expire; the call on 5 October 2022 was simply a general enquiry about the rate switch process.

However, Mr K's insistence that he'd provided his account information on 5 October 2022 then led to Barclays considering whether or not it needed to honour the rates available on that date. I think it was reasonable for the bank to consider this.

If Mr K had given Barclays his account details during the call on 5 October 2022 but been told that he couldn't secure a new rate at that time, then I would have expected Barclays to honour the rates that were available on that date. But I've listened to that call, and it was a general enquiry only, Mr K being quite clear that he thought his rate ended in May 2023.

Mr K says that he didn't receive any letter in the post from Barclays, and that his banking app didn't show any information to allow him to apply for a new rate. However, I've seen a screenshot of the documents wallet from Mr K's online banking. This shows two documents sent to Mr K on 18 August 2022.

One is a letter dated 15 August 2022 headed "*An update on your current mortgage BTL Letter*" and the other, also dated 15 August 2022, is the "*Online rate switch user guide*". So notwithstanding that the letter emailed to Mr K in August 2022 ended up in his spam folder (and which he found before the call on 17 October 2022), I'm satisfied that the documents about rate switching were also available in his online banking. The letter contained a link for him to click on which would have taken Mr K to the rate switching process on Barclays' website.

Barclays has also confirmed that the letter would have been sent by post. If it wasn't received by Mr K, that would be down to Royal Mail, not Barclays.

I'm also satisfied that on 17 October 2022 Mr K asked if he should apply for a new rate, and was told that he could secure a new rate at that point as a backup. I'm not persuaded that any guarantee was given by Barclays that it would honour earlier interest rates.

In the circumstances, whilst I appreciate this will not be the outcome Mr K wanted, I'm unable to find that Barclays has done anything wrong. I am sorry to disappoint Mr K, but this means that I'm not going to order Barclays to honour any earlier interest rate, or pay any compensation.

My final decision

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 21 March 2024.

Jan O'Leary
Ombudsman