

The complaint

Mr and Mrs G complain that Barclays Bank UK PLC hasn't calculated their mortgage account correctly. They've asked for an independent audit of the mortgage account.

What happened

Mr and Mrs G have a mortgage with Barclays. They say Barclays made errors which caused the account to appear – wrongly – to be in arrears.

Mr and Mrs G believe the problem started when Barclays took over the account from another lender, although they say Barclays made errors after that. Our investigator said there are parts of the complaint that this service can't look into. That's because parts of the complaint were brought to us outside our time limits or because we'd looked into the matter before.

Our investigator said we can look into Mr and Mrs G's concerns about how the account had been managed since March 2016, which is six years before Mr and Mrs G raised a complaint with Barclays. Mr and Mrs G agreed, and the complaint proceeded on that basis.

Our investigator said the arrears were recorded and communicated correctly until mid-2022. At that point Barclays gave Mr and Mrs G incorrect information about the amount of their arrears. Our investigator said Barclays should pay £300 for the upset this caused, taking into account Barclays had sent letters about taking possession.

Mr and Mrs G didn't agree. Mr G said the arrears balance in March 2016 was incorrect, meaning Barclays had overcharged interest since then. He said while the sums Barclays said were owed didn't now put their home at risk, this was the case previously and £300 wasn't enough for the anguish caused over many years.

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.

I should first make it clear that I'm only considering the complaint that Mr and Mrs G raised with Barclays in March 2022 – that is, that their arrears balance is incorrect. And I can only look into what happened from March 2016 (six years prior to Mr and Mrs G making a complaint). We've explained this to Mr and Mrs G. This means, in effect, I have to look into this complaint on the basis the mortgage account as stated by Barclays was correct in March 2016.

Barclays provided copies of annual mortgage statements, arrears letters and internal mortgage account records to us. These show Mr and Mrs G's mortgage account was in arrears by about £2,000 in March 2016.

Mr G says this arrears amount might include fees of about £400 that Barclays had wrongly applied to the account and which it should have refunded before March 2016. Mr G sent a copy of the 2016 annual statement which shows fee refunds of £400 prior to March 2016.

We've told Mr G we can't look into what happened before March 2016 so I'm not going to make any findings about this.

Mr G says they made overpayments of about £70 per month. And they made a payment of £680 in November 2016 to clear the arrears they believed were owed. If so, this would total overpayments of about £1,200. This would have reduced but not cleared the arrears of £2,000. So when Barclays wrote to Mr and Mrs G in December 2016 saying there were arrears of about £790 I don't think this was incorrect.

Barclays wrote to Mr and Mrs G in December 2017 saying there were arrears totalling about £735. Barclays sent an arrears letter in December 2018 saying the arrears were about £790.

Mr and G made underpayments from September 2018 to September 2019. Mr G says he overlooked a letter telling them the CMP had increased. Barclays sent an arrears statement to Mr and Mrs G at the end of 2019 showing arrears of about £960. Barclays sent letters to Mr and Mrs G saying the arrears were about £900 in December 2020 and in December 2021.

Mr G says when he realised they'd made underpayments in 2018 and 2019 they made a payment that he calculated would repay the underpayments. We asked Mr G more about this and he confirmed that he'd made this payment in May 2022. Mr G said he hadn't noticed the underpayments until March/April 2022.

Mr G says they made their contractual monthly payments (CMP) without fault, other than in 2018 and 2019 when they made underpayments. But they didn't make additional payments to clear fully the £2,000 arrears balance. I can't fairly find that Barclays was wrong to say the account is in arrears.

Mr G says they were never given a clear explanation of the arrears, so could only guess whether the problem was sorted. Barclays sent annual statements and arrears letters which set out the arrears balance. If Mr and Mrs G wanted to clear the arrears, I think they had sufficient information to enable them to do so.

Barclays wrote to Mr and Mrs G in early 2022 saying there was an outstanding balance of about £910. It said if they didn't call to reach agreement about paying it, it would instruct solicitors. Barclays sent similar letters in March 2022 and June 2022 – by which time Mr and Mrs G had reduced their arrears to about £650.

I can understand that Mr and Mrs G found letters about possible recovery action upsetting. But I need to take into account that the account has been in arrears for some time. I'd expect Barclays to keep Mr and Mrs G informed about their arrears and the possible consequences if they aren't repaid. While Barclays offered to discuss options to help repay the arrears Mr G says this wasn't something they asked for or need.

Barclays made an error in mid-2022 when it gave Mr and Mrs G incorrect information that suggested their arrears were £3,000. This was corrected within a short period. Barclays agreed to pay £300 for the upset this caused, and I think that's fair and reasonable in the circumstances.

Mr and Mrs G say they recently discovered Barclays had recorded adverse data on their credit files. This wasn't part of the complaint that they raised with Barclays in March 2022.

I should explain that if I'd found that Barclays had made an error when it said there were arrears on Mr and Mrs G's account, I'd ask it to put this right. It's likely that would include ordering Barclays to remove any incorrect information from Mr and Mrs G's credit file. As I

don't think Barclays was wrong to say that the account is in arrears, I won't be asking it to make changes to the information reported to the credit reference agencies in this decision.

If Mr and Mrs G remain concerned that Barclays reported incorrect information to the credit reference agencies they'll need to raise this with Barclays.

Mr G says Barclays is supposed to distribute payments between the different sub-accounts but it doesn't do this consistently. He says that's why he makes separate payments to each sub-account. And this is why he was charged an arrears charge in July 2016 when he made a payment early, at the end of June 2016.

The number of sub-accounts does make matters more complicated. However, this isn't the reason for the mortgage being in arrears from March 2016 onwards. This was because Mr and Mrs G didn't make payments in addition to their contractual monthly payments sufficient to clear the arrears. An arrears fee was applied in July 2016, most likely because the account was in arrears and Barclays didn't receive a payment that month.

Mr G says they'll pay the arrears once Barclays explains how they came about. He's suggested an independent audit or forensic analysis of their mortgage account is carried out. Mr G is of course free to organise this if he wishes to do so at his own cost. I don't think it's fair and reasonable to require Barclays to arrange or pay for this. That's because, based on the available evidence, I'm not persuaded Barclays made an error when administering Mr and Mrs G's account or that it was incorrect for Barclays to say that their account is in arrears.

My final decision

My decision is that I uphold this complaint and order Barclays Bank UK PLC to pay £300 to Mr and Mrs G, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 5 January 2024.

Ruth Stevenson
Ombudsman