

The complaint

Mr D is unhappy that Barclays applied interest and charges to his mortgage whilst he was in prison.

What happened

Mr D held a mortgage with Barclays which began in 2008. The mortgage was on a repayment basis over a 13 year period. A condition of the mortgage was that Mr D take out a Mortgage Current Account and Mortgage Reserve (overdraft).

In July 2015, Mr D was sent to prison. From then until his release in 2021 some, but not all, of the mortgage repayments were made. The mortgage was redeemed in full in 2022.

Following his release from prison, Mr D told Barclays that he hadn't authorised a number of transactions coming out of his current account. He complained after Barclays told him that that it wouldn't be providing a refund and he referred his concerns to the Financial Ombudsman Service. This complaint has been looked at under a separate complaint reference.

Mr D had also raised linked concerns about what had specifically happened with his mortgage and so Barclays considered a separate complaint about this. Barclays didn't uphold this complaint either and Mr D asked the Financial Ombudsman Service to consider the matter.

An investigator here issued an assessment not upholding the complaint. They said Barclays had followed its process for when customers are in prison and that there had remained an obligation on Mr D to ensure that mortgage payments were made.

Mr D asked for the matter to be escalated to an Ombudsman and the file has been passed to me to make a final decision.

Another Ombudsman recently issued a final decision on the other complaint, not upholding it, on the basis they considered the disputed payments had been authorised.

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 don't uphold this complaint. I appreciate this will likely come as a disappointment to Mr D. But I hope my explanation helps him to understand why I've reached this conclusion.

The start point here is that, despite being sent to prison, Mr D still had a responsibility to make sure his mortgage was paid.

Mr D's concerns about disputed transactions on his account have been considered under a different complaint reference. As such, my decision is focused on what happened with the

mortgage whilst Mr D was in prison and the actions Barclays took specifically in relation to this.

Mr D has said he doesn't think Barclays should have applied charges and/or interest to the mortgage account whilst he was in prison, due to the overarching circumstances including the concerns raised about disputed transactions covered under the other case reference. He hasn't suggested that any of the charges or interest applied weren't in line with the terms of the mortgage contract.

In order to uphold this complaint and tell Barclays to do something different, I would need to find that it had made some kind of error or otherwise treated Mr D unfairly. I haven't found this to be the case.

I've seen Barclays' policy for when it finds out that a customer is in prison. The policy is centred around trying to obtain contact details for the prison and arranging for a third party to have authority to deal with the account.

Barclays' contact notes show that it was trying to get in contact with Mr D throughout much of 2016, after payments had been missed. In November 2016, Barclays was made aware that a third party known to Mr D had undertaken to provide prison contact details. However, it appears no such information was then provided.

The contact notes also show that a third party contacted Barclays in relation to the account at points in 2017 and beyond. The notes indicate that on each occasion the third party was encouraged to arrange with Mr D to get authority to be able to deal with the account. No such authority is recorded as having been provided.

I appreciate Mr D says he wrote to Barclays three times to let it know of his whereabouts. However, Barclays' contact notes show the first record of any direct contact from Mr D after he went to prison, was in 2020. If Barclays had received correspondence prior to this, it would likely be showing in the contact notes.

Thinking about Barclays' policy and what happened over time, I don't find that Barclays' actions or communications were unreasonable.

I've seen nothing to suggest Barclays hasn't followed its internal processes in this case. Or that these processes have had an adverse impact on Mr D. I can understand why Mr D would've liked Barclays to have done more. But, ultimately, it was still his responsibility to ensure the mortgage was paid, and he didn't always do so. And even if Barclays had taken further steps, I can't see the situation would've been any different, and charges and interest would still have been applied to his account.

I appreciate that Mr D feels strongly about this situation. However, taking everything into account, I can't say that Barclays has acted unfairly in applying interest and charges as it did and I don't require it to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 15 December 2023.

Ben Brewer

Ombudsman