

The complaint

Mr W complains Barclays Bank UK PLC trading as Barclaycard (Barclays) failed to remove adverse markers on his credit file following a fraud on his account, affecting his ability to secure a mortgage at a preferential interest rate.

What happened

Mr W says in August 2021 his credit card account was subject to a fraudulent transaction and at that time the matter was dealt with by Barclays and as far as he was aware the matter had been resolved.

Mr W says when he considered applying for a re-mortgage on a buy to let property (BTL) he owned in April 2022, he was informed by his mortgage brokers to check his credit file before submitting an application. Mr W says when he checked his credit file, it showed he had three late payment markers against his Barclays credit card account, which shouldn't have been there as this related to the fraudulent activity on his credit card account, that Barclays told him it had dealt with in 2021.

Mr W says on taking professional advice from two mortgage brokers he was advised to have these credit markers removed before applying as it was likely his application would be declined. Mr W says after a series of telephone conversations with Barclays and having been poorly advised to speak to the credit agencies himself by Barclays – it after much delay eventually removed the markers from his credit file in July 2022.

Mr W says by this time the mortgage market had moved on and the interest rate he was looking to secure back in April 2022 had increased substantially resulting in increased interest costs. Mr W says although Barclays have admitted it failed to remove the markers on his credit file when it should have and increased its offer of compensation from £100 to £750, this doesn't go anywhere near far enough to cover the extra costs over the coming years and the stress he has experienced and is looking for substantial compensation to cover this.

Barclays says it accepts it should have removed the adverse credit markers much sooner than it did and can see the service it provided during the time Mr W raised the issue fell short. Barclays feel that the level of compensation it has offered Mr W is fair in the circumstances.

Mr W wasn't happy with Barclays' response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says Mr W took the decision to re-mortgage the BTL when he did, and Barclays were not involved in that decision. The investigator says while Mr W intended to apply for a re-mortgage in April 2022, no mortgage application was ever made at that time, so the investigator couldn't speculate as to the outcome of any application that might have been made.

The investigator felt Barclays had taken remedial actions to put matters right and had

corrected Mr W's credit file, albeit later than would be expected. The investigator says Barclays apologised for that mistake and offered Mr W £750 by way of compensation for that, which the investigator felt was fair in the circumstances, as it wasn't the role of this service to penalise businesses when mistakes like this occur.

Mr W didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

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 won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting for Mr W to learn he had adverse entries on his credit file when he was looking to apply for a re-mortgage of his BTL, especially given that Barclays should have dealt with the credit card fraud issues, relating to this back in August 2021.

When looking at this complaint as Barclays have admitted it made mistakes in not dealing with the adverse credit file entries when it should have, I will consider if its offer of compensation of £750 is sufficient here.

Mr W has provided this service with comprehensive details of the course of events here and while that has proved helpful, I won't be commenting on every point he has made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything he's said – I have. But it's just that I don't need to comment on each individual point here in order to reach a decision on what's fair and reasonable.

The background to this complaint is well documented and known to both parties so I see no reason to reiterate everything that's been said before, other than to say Mr W's complaint centres around the fact because Barclays failed to remove adverse markers on his credit file in a timely manner, this has meant him missing out on preferential mortgage interest rates and resulted in other direct expenses and costs.

I understand Mr W feels Barclays' failure to remove the adverse markers on his credit file was the sole reason why he wasn't able to secure the re-mortgage of his BTL, at the interest rate he was looking to secure and the knock-on financial effects that caused, but I'm not fully persuaded by his argument. I say this because although there's no question Barclays were at fault for not removing the markers on his credit file back in August 2021, I can't say with any certainty that even if those markers had been removed, Mr B would have definitely secured the re-mortgage at the rate of interest and terms he refers to, as no mortgage application was ever made.

While I accept this was the advice given to him by more than one financial broker, Barclays played no part in that, or his decision to apply for the re-mortgage when he did at a higher rate than he hoped he would have secured previously. Here, no mortgage application was submitted for approval so without this, given that mortgage decisions are decided on various different factors, including credit scores for example, I've no way of knowing for certain this would have been approved on the terms in which Mr W sets out in his complaint.

That's not to say Barclays haven't made mistakes here it has, but it has accepted that, apologised, put matters right, and offered Mr W £750 by way of apology and £30 towards

associated costs. As the investigator has pointed out, given I can't conclusively say Mr W would have definitely secured the re-mortgage for the reasons I have already explained, it's not my role to penalise businesses when mistakes are made but to ensure it apologises, corrects its mistake, and offers appropriate compensation for that – I'm satisfied Barclays did that here.

While Mr W will be disappointed with my decision, I won't be asking anymore of Barclays here and I will leave it with Mr B to contact Barclays if he now wishes to accept its offer.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 16 October 2023.

Barry White
Ombudsman