

The complaint

Mr and Mrs S complain about delays when they applied to port their mortgage with Barclays Bank UK PLC. They originally asked Barclays for compensation of £1,000. Mr S says, on reflection, compensation of £2,500 is more reasonable. This takes into account their stress, his time spent chasing Barclays and the time and costs involved in applying elsewhere.

What happened

Mr and Mrs S wanted to move home and started a porting application with Barclays. Their first property purchase fell through. Their sale proceeded with completion scheduled for late January 2023. Mr and Mrs S found a property to buy in mid-December 2022. This was a new build property and the developer reserved the property for them until 3 February 2023. They arranged to move into rented accommodation for when their sale completed.

Mr and Mrs S completed a porting application with Barclays on 19 December 2022. Barclays had IT problems which meant the valuation wasn't carried out until 23 January 2023. Barclays issued a mortgage offer on 6 February 2023.

Mr and Mrs S didn't lose the property they wanted to buy. But they say they had difficulty contacting Barclays to find out what was happening and this was stressful. They say it ought to allow customers to call the valuations team and underwriters direct for urgent applications.

Barclays said there was a problem instructing the valuation and its communication with Mr and Mrs S was poor. It offered £400 for the upset and inconvenience this caused. Our investigator said this was fair.

Mr and Mrs S didn't agree. Mr S said £400 isn't enough for the time he spent chasing Barclays and the stress of possibly losing their purchase.

In late March 2023 Mr and Mrs S cancelled their application with Barclays and applied elsewhere. They told us this was because they needed the mortgage offer to be valid to the end of June 2023. Barclays' mortgage offer was valid to early June 2023. Mr S said Barclays had told them they'd have to ask about extending it nearer the time.

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.

Mr and Mrs S completed a new porting application with Barclays on 19 December 2022.

In early January 2023 the property developer told Mr and Mrs S the valuation hadn't been carried out and reminded them of the reservation end date. The property developer wrote to Mr and Mrs S again in early February 2023, saying the deadline was missed but it hoped they wanted to continue and asked them to call the sales adviser.

Barclays' valuer inspected the property on 23 January 2023 and issued a valuation report the next day. Barclays issued a mortgage offer on 6 February 2023. This was valid until

1 June 2023.

Barclays accepts that problems with its IT system led to a delay of two to three weeks in the mortgage offer being issued. It also said its communication had been poor and offered £400 compensation.

Barclays says Mr and Mrs S told it at the end of March 2023 they didn't want to proceed but didn't say why. Barclays refunded the £999 product fee, in accordance with the product terms.

When deciding if the compensation offered by Barclays is fair and reasonable, I've taken the following into account.

Mr and Mrs S reserved a property until 3 February 2023 – the developer asked that they exchange contracts by that date. Barclays issued a mortgage offer on 6 February 2023, the next working day after 3 February 2023.

Mr and Mrs S had agreed to sell their property, their first property purchase fell through, and they were worried about losing the property they'd found to buy. While this must have been stressful, Barclays wasn't solely responsible for this situation.

If Barclays had instructed a valuation sooner, it would most likely have issued a mortgage offer sooner. I'm not sure that this would have changed the outcome in any significant way.

I haven't seen evidence that the only reason contracts weren't exchanged before 3 February 2023 was the delay with the mortgage offer. But, in any case, it seems Mr and Mrs S didn't lose the property.

It seems Mr and Mrs S's purchase wasn't due to complete until June 2023 – some six months after they made their porting application to Barclays. It's not clear when they became aware of this. But if Barclays hadn't caused delays with the valuation the mortgage offer would still have expired before their purchase was due to complete.

I appreciate Mr and Mrs S were in a difficult position. They had to decide whether to apply elsewhere or wait and ask Barclays to extend the mortgage offer. But Barclays' error with the valuation wasn't responsible for this. I don't think it's fair and reasonable to require Barclays to compensate Mr and Mrs S for any fees and costs and additional time spent in applying to a different lender.

Mr and Mrs S said their main complaint and reason for refusing the £400 offer is the stress and anxiety caused over several weeks in not being able to get Barclays to confirm its offer.

Mr and Mrs S wanted Barclays to treat their application as urgent. But Barclays is entitled to make decisions about its policies and processes. I can't fairly require it to change its internal processes, such as allowing customers to call underwriters directly or an appointment system to call customers at pre-arranged times (if it doesn't offer this).

I can understand Mr and Mrs S's frustration, and why they called Barclays for updates. But I don't think it's fair and reasonable to require Barclays to pay compensation at Mr S's hourly rate for the time he spent on calls during working hours.

Mr S says Barclays didn't explain the delay between the valuation and issuing the mortgage offer (about 10 working days). Perhaps the underwriting team could have reviewed the valuation report and issued a mortgage offer more quickly. But, as I said, any delay in the mortgage offer being issued didn't change the overall outcome.

Mr and Mrs S were in a stressful situation. They'd agreed to sell their property and were worried about losing the "dream" property they'd found. Barclays wasn't responsible for this situation and, as I said, I haven't seen evidence that the only reason Mr and Mrs S didn't exchange contracts before 3 February 2023 was because of the mortgage offer. But the delay by Barclays in instructing a valuation and, therefore, issuing a mortgage offer would have added to Mr and Mrs S's worry and stress. I think for the additional worry and inconvenience caused by Barclays' delay and poor communication £400 compensation is fair and reasonable.

Barclays says Mr and Mrs S told it at the end of March 2023 they didn't want to proceed but didn't say why. Mr and Mrs S told us they needed a mortgage offer which was valid to the end of June 2023. They say Barclays didn't agree to extend the mortgage offer in advance of its expiry date (1 June 2023) and this wasn't satisfactory to their solicitor. Mr and Mrs S were also unhappy with the service they'd received from Barclays and decided to apply to another lender. Any concerns Mr and Mrs S had about Barclays not agreeing to extend the mortgage offer wasn't part of the complaint raised with Barclays. This means I can't fairly look into that here.

My final decision

My decision is that Barclays Bank UK PLC should pay £400 to Mr and Mrs S, as it offered to do (unless it has already made the payment).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 22 January 2024.

Ruth Stevenson
Ombudsman