

## **The complaint**

Mr M complains that Barclays Bank UK PLC wrongly told him he'd have to pay an early repayment charge (ERC) if he changed products. As a result he missed out on lower interest rate products. Mr M also complains about the time Barclays took to investigate and locate recordings of his calls. He asks that Barclays allows him to take out an interest rate product available in early 2022 and pays compensation for his stress and inconvenience.

## **What happened**

Mr M took out a mortgage with Barclays in late 2021 with an interest rate tracker product. Mr M says when interest rates started to rise in early 2022 he decided to take out a fixed rate product. Mr M says Barclays incorrectly told him on several calls that he'd have to pay an ERC of about £3,000, and this put him off switching to a fixed rate product. He was given correct information in September 2022 and took out a fixed rate product.

Barclays agreed it gave Mr M incorrect information. It said Mr M could take out an interest rate product which was available in May 2022 and paid £400 compensation.

Mr M says he wants a product available in January or February 2022 (with a rate of 1.58%) and more compensation.

Our investigator said Barclays gave Mr M incorrect information about the ERC on 16 February 2022. She said it should apply an interest rate product available at that time. She said £400 compensation was fair for the upset this matter caused.

Barclays agreed to apply an interest rate product available on 16 February 2022. Mr M chose a 10-year fixed rate product. As Mr M's tracker rate was lower at that time, Barclays agreed to apply the fixed rate to his account from 17 May 2022.

Mr M didn't agree that £400 compensation was fair given he had to make numerous calls to Barclays and overpaid for months.

## **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.

The parties agree that Barclays wrongly told Mr M in mid-February 2022 that he'd have to pay an ERC if he took out a fixed rate product. The parties also agree that Barclays should put this right by allowing Mr M to take out a product available at that time and backdating this. As Mr M's tracker rate in early 2022 was lower than the fixed interest rate for the product he chose, Barclays applied the fixed interest rate product from mid-May 2022.

Having applied the new product to Mr M's account, Barclays adjusted his account for the overpaid interest (of about £550). It says it first credited this to Mr M's mortgage account and then transferred it to his current account. Barclays provided screen shots of the credit and debit which show this.

I think this was a fair resolution to put Mr M into the financial position he would have been in if Barclays hadn't made an error.

Mr M asks for compensation for the inconvenience and stress that Barclays caused. Barclays made errors and I think it's right that it offered compensation.

Mr M recently told Barclays this matter has affected his health. I'm sorry to hear this. Barclays' complaint notes from late 2022 say it didn't find any record of Mr M being vulnerable, or any suggestion of this during their calls. Barclays didn't know Mr M might be vulnerable or need support when it responded to his complaint. It will be able to take this into account in future.

Barclays gave Mr M incorrect information on more than one occasion. This resulted in him having to make further calls about taking out a new product. As mortgage interest rates were rising this was no doubt worrying for Mr M as well as inconvenient.

This service can't always look into complaint handling (which isn't a regulated activity). We can do so when the way in a complaint is dealt with delays the underlying problem being sorted out. That was the case here. Despite acknowledging that it gave Mr M wrong information in February 2022, Barclays didn't initially offer to put matters right from February 2022. Barclays took longer than necessary to put matters right, and Mr M had to bring his complaint to us. This caused him further inconvenience.

When he brought the complaint to us, Mr M said he was impacted financially by paying higher monthly mortgage payments – this has now been put right. Mr M overpaid by about £550 which has been refunded to him. He didn't say the higher monthly payments caused financial hardship, or that he'd struggled to maintain them.

Taking all of this into account, I think the £400 compensation paid by Barclays is fair and reasonable in the circumstances.

While Barclays did make errors here, I think it's now done enough to put matters right and it doesn't need to do anymore.

### **My final decision**

My decision is that the steps taken and compensation paid by Barclays Bank UK PLC is fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 September 2023.

Ruth Stevenson  
**Ombudsman**