

The complaint

This complaint is brought on behalf of a partnership (which I will call JF) by Mr F1. The other partner, Mr F2, is Mr F1's father. The complaint is about delay by Barclays Bank UK PLC when JF was taking out a secured loan in order to construct a shed at their business premises. Mr F1, who has dealt with the complaint throughout, says that, as a result of the delay, the cost of the project increased by approximately £10,500. To settle the complaint Mr F1 wants Barclays to compensate JF for these increased costs.

What happened

I will summarise the complaint in less detail than it's been presented. There are several reasons for this. First of all, the history of the matter is set out in detail in correspondence, and in the investigator's letter dated 22 March 2023. All parties have a copy of that letter, so there is no need for me to repeat the details here.

In addition, Barclays has acknowledged it made errors, and so I don't need to analyse the events in detail in order to decide whether or not the bank is at fault; all I need to determine is whether the bank has done enough to put things right.

Finally, our decisions are published, so it's important I don't include any information that might lead to JF, Mr F1 or Mr F2 being identified. So for these reasons, I will instead concentrate on giving the reasons for my 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.

The nub of this complaint is that Mr F1 says that, although documents were sent and re-sent to Barclays, the bank lost these and then asked for them again, on multiple occasions. As a result, completion of the transaction was delayed by several months. It should have completed in May 2022, but didn't in fact complete until August 2022.

I've looked at the requests Barclays were making for documents. The bank was taking security over a property that was previously owned by Mr F2, but which was being transferred into the joint names of Mr F1 and Mr F2. Their wives were also in occupation and were required not only to agree to a Deed of Postponement (DoP) of their interests in the property ahead of Barclays' interest as mortgagee, but to have independent legal advice (ILA) before doing so. All of this is standard practice where non-owning spouses are in occupation of a property that is to be charged to a bank as security for a loan.

I can see from the bank's records that, although Barclays received the DoPs, it had to chase the solicitors for confirmation that ILA had been given multiple times. I can't hold Barclays responsible for this, although I agree with the investigator that the bank could have been clearer about what information was missing, as the solicitors continued to send copies of documents the bank already had in its possession.

I therefore agree that Barclays could have provided better customer service, and that compensation is warranted for this.

Putting things right

Barclays has already accepted there were some delays that might have been avoided, and the bank has paid compensation to JF of £1,700 for this, which I think is fair in all the circumstances.

The investigator thought Barclays should also pay an additional £729 to cover the difference between the loan terms the bank had originally quoted in November 2021 and the final agreed terms when the funds were released on 23 August 2022. Barclays agreed to do this. I think this is fair in all the circumstances.

I've noted what Mr F1 has said about the increased costs of building the shed and why he believes Barclays should pay the additional £10,500 that he says this has now cost JF. However, I'm not persuaded that Barclays is responsible for this, for the following reasons:

- The first quote for the building work and materials is dated 15 February 2022, several months before the intended completion date for the loan, which was May 2022. I note that although Mr F1 told Barclays that he *“reasonably expected the loan to have been paid into the account”* in February 2022, given the legal work required, this would never, in my opinion, have been a reasonable timescale.
- The quote is clear that the figures given are *“for a limited time only”*. There is therefore no guarantee that if the loan had completed in May 2022, the quotation would have remained the same. Indeed, my next point explains why I think that would have been unlikely.
- The builders confirmed to Mr F1 that the increase in the cost of materials was as a result of the Russian invasion of Ukraine (which was on 24 February 2022), which affected the cost of steel and caused prices to rise after March 2022. This isn't something that I consider to be a reasonably foreseeable consequence of any delay on the part of Barclays – or indeed the solicitors advising the wives of Mr F1 and Mr F2, who did not send in the confirmation that ILA had been given until they were chased to do so.

Therefore in all the circumstances I'm not persuaded Barclays should be responsible for the increased cost of materials. I appreciate this isn't the answer JF was hoping for, but ultimately I can't hold Barclays responsible where there are outside factors that, in my opinion, are more likely than not to have affected the cost of materials notwithstanding any errors or delays by Barclays. As I have already explained, given the legal work required, I don't think it's feasible that the transaction would have completed in February 2022 in any event.

My final decision

My final decision is that I partly uphold this complaint. In addition to the £1,700 already paid by Barclays Bank UK PLC to JF, I direct the bank to pay an additional £729 as detailed above, in full and final settlement of this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any correspondence about the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask D to accept or reject my decision before 13 September 2023.

Jan O'Leary
Ombudsman