

The complaint

Miss P's complaint is about her mortgage account with Barclays Bank UK PLC. Miss P says that Barclays refuses to communicate with her, and is intentionally bullying and harassing her in order to cause her stress and anxiety. Miss P believes this is deliberate action on the part of the bank so it can take legal action to repossess her house.

Miss P says she wants to be free of Barclays, so to settle the complaint she would like Barclays to offer her a heavily discounted settlement so she can repay most of the mortgage and arrears.

What happened

This complaint follows on from a previous complaint to our service that was closed in September 2020. I will therefore only be considering matters that have arisen since that date.

Miss P has a mortgage with Barclays taken out in 2008, when Miss P borrowed just under £97,000 on a capital repayment basis. Unfortunately the mortgage has been in arrears for several years. The arrears were at their highest in around June 2019, when they were about £7,700. The arrears are currently around £3,700.

Following the complaint to our service in 2020 a payment plan was set up with Barclays. This was dealt with by a member of staff I will call AC. However, for various reasons, some related to the pandemic and some to Miss P's circumstances, it took some time to set up the plan and it wasn't put into place until November 2021.

Unfortunately, due to an error by Barclays – the bank had incorrectly recorded the amount Miss P was required to pay – she received a letter saying that the arrangement had been broken. However, once Miss P had spoken to the bank, the error was corrected. Miss P said she'd been trying to contact AC but hadn't had any response from him.

Miss P was also sent letters in July, August and September 2022 stating the plan had been broken. Once again, Barclays confirmed this was an error. However, in November 2022 the full payment wasn't made, and so the following month Barclays wrote again to Miss P about this.

I note Miss P had previously made Barclays aware that she spends several months of each year abroad, and so didn't see any mail sent to the mortgaged property. In addition, her laptop had broken and she couldn't access online banking. Miss P raised a complaint, saying she'd been trying to contact AC but hadn't had any response.

Miss P also said she'd not been receiving letters from Barclays, but later confirmed that Royal Mail had accepted responsibility for this. Barclays tried to call Miss P to discuss her complaint, but as she was not in the UK, the bank wasn't able to contact her.

In its final response letter Barclays explained that AC had dealt with the account two years previously, when the payment plan was set up, but hadn't had any involvement with it since.

Barclays acknowledged that Miss P had wanted to discuss her account with the bank, but hadn't been able to. The bank recognised that Miss P was worried about being told a payment plan wasn't in place when it actually was, and offered compensation of £350 for any distress caused by this.

Miss P didn't accept this and brought her complaint to our service. She said that this is the latest in a series of administrative errors by Barclays, and she just wants to move away from Barclays. That is why she wants a discounted settlement on her mortgage, so she can move to another lender. Miss P also wasn't happy about the way Barclays had dealt with her complaint.

An investigator looked at what had happened but thought the £350 offered by Barclays was fair and that the bank didn't need to do anything further.

The investigator explained that, because Miss P had broken the payment arrangement in November 2022, Barclays was entitled to write to her about this. The investigator noted the issues with letters sent to Miss P not being delivered, but was satisfied this was down to Royal Mail, not Barclays.

The investigator clarified that it wasn't possible to ask Barclays to offer Miss P a discounted settlement on the mortgage, because the full amount was due and owed to Barclays. She also explained that a complaint about complaint-handling didn't fall within the scope of our rules.

Overall, the investigator was satisfied that the £350 compensation was fair and reasonable in all the circumstances.

Miss P disputed she'd missed the November 2022 payment and so the investigator sent her the payment record for the account which showed that only £81.21 had been paid for that month. The investigator wasn't persuaded that, after the missed payment, Miss P's financial situation would have enabled her to catch up with the missed payment.

Miss P asked for her complaint to be referred to an ombudsman. She's explained that she has health issues, and the constant stress which Barclays causes her by refusing to communicate with her impacts badly on her health and wellbeing.

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.

I will begin by explaining that this complaint is limited to the issues that have arisen since the previous complaint was closed in September 2020, up until the bank's final response letter dated 7 March 2023. Although I note Miss P has raised new issues that have arisen since then, I can't look at those here.

Barclays has acknowledged it made errors in sending Miss P letters saying she'd broken her payment plan when she actually hadn't. This was due to Barclays having incorrectly recorded the amount Miss P needed to pay on its system, which in turn resulted in system-generated letters being sent to Miss P. Barclays has accepted this shouldn't have happened.

However, looking at the account history, I'm satisfied that Miss P did miss the payment for November 2022. In the circumstances, Barclays was entitled to write to her about this.

I can see that Miss P was trying to contact AC, who she'd dealt with in 2020 and 2021 when setting up her payment plan. However, he no longer had any involvement with the account. Barclays doesn't generally provide dedicated points of contact for customers, and once the plan was set up, if Miss P needed to speak to the bank, it would be through the department handling her account, rather than a specific person she'd dealt with previously.

I can't tell Barclays how to run its business, but the business model adopted by Barclays for staff to take calls within a department is fairly standard across the banking industry. Notes are put onto the system, so the next person to pick up the case can see what's happened before.

I also note that Miss P has had problems with Royal Mail, as a result of which she's not received letters sent by the bank. Barclays doesn't send emails to customers that contain account-specific information, as email isn't a secure medium. I also note that, at the time of these events in late 2022, Miss P was out of the country from October 2022 to January 2023. I can appreciate that this made it more difficult for the bank to contact her, but I can't hold Barclays responsible for this.

However, I think the bank could have done a bit more to try to contact Miss P after she raised her complaint. Barclays received the complaint in January 2023, and issued its final response in March 2023, before it had been able to discuss the complaint with Miss P. I don't think the outcome would have been any different if the bank had spoken to Miss P, because the evidence doesn't suggest she'd have been able to bring the account up-to-date even if she had spoken to AC in December 2022.

In all the circumstances, I'm satisfied that the offer of £350 made by Barclays for the distress and inconvenience caused to Miss P by the bank's communication failures is fair and reasonable in all the circumstances. The bank should have registered the payment arrangement correctly and if it had done, Miss P wouldn't have received letters telling her she'd broken the arrangement.

However, Miss P *did* break the arrangement in November 2022, and so I find that Barclays was entitled to inform Miss P of the consequences of doing so. I'm therefore not going to order Barclays to do anything more. I note Miss P wants a reduced settlement for her mortgage. However, I'm not persuaded that would be a fair outcome in the circumstances, given that the money is fairly owed to Barclays.

Other matters: I can see from what she's told us and Barclays that in recent years Miss P has been through a very tough time; her mother was diagnosed with a terminal illness and I am very sorry to note that she has since passed away. I have no doubt this has been a very upsetting and difficult time for Miss P.

Miss P has been trying to sell her late mother's house, and has confirmed that, when she does so, she will be able to clear her arrears, if not pay off the mortgage altogether.

I also note that, over the last few years, Miss P has reduced the arrears by about 50%. The arrears are relatively small in relation to the overall mortgage debt and the likely value of Miss P's home, and the bank's security is not at risk at all. Whilst I can't tell Barclays not to take legal action, it seems in all the circumstances that referring the matter to court might be premature.

I say this because, as noted above, Miss P is hoping in the foreseeable future to sell her late mother's house. So there is a realistic prospect of clearing the arrears and/or the entire mortgage. In addition, Miss P has made inroads into paying off the arrears, and has significantly reduced them from their highest point in June 2019.

Taking into consideration Miss P's health, personal circumstances, vulnerability and financial situation, I would also remind Barclays of its obligation to treat borrowers in arrears fairly and sympathetically. Given this, I think it would be helpful if Barclays thought about the bigger picture for this mortgage rather than focusing on the minutiae of one missed monthly payment in November 2022 and the potential consequences of it.

It might be helpful if Miss P is able to keep Barclays updated with progress on the sale of her late mother's property, and provide evidence of a sale, when a buyer is found. Noting how stressful Miss P has found it to deal with Barclays, she may also find it helpful to speak to one of the free debt advisory services, such as Citizens Advice, StepChange or Shelter. We can provide Miss P with contact details for those agencies, if she'd like us to.

My final decision

My decision is that Barclays Bank UK PLC must pay Miss P £350 compensation for distress and inconvenience 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 discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 14 February 2024.

Jan O'Leary
Ombudsman