

The complaint

Mr and Mrs B's complaint is that, because of delays by Barclays Bank UK Plc in sending a redemption statement to their solicitors, they suffered financial loss, distress and inconvenience.

Mr and Mrs B say that their new mortgage should have completed on 30 April 2022, but in fact as a result of Barclays' errors, did not complete until 14 June 2022, with their Barclays' mortgage being redeemed on 16 June 2022. Mr and Mrs B say that, as a result of this delay, they were charged interest on their Barclays' mortgage of £1,038.84.

Mr B has dealt with the complaint throughout.

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, so there is no need for me to repeat the details here. I will instead concentrate on giving the reasons for my decision. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr and Mrs B being identified. So for these reasons, I will keep my summary of what happened quite brief.

Mr and Mrs B had a mortgage with Barclays that had reached the end of its term. They decided to arrange a lifetime equity release mortgage with another lender in order to repay their Barclays' mortgage. A mortgage offer was issued on 27 April 2022. The mortgage was not redeemed until 14 June 2022.

It is this delay that forms the crux of the complaint. Mr B says that the delay in completing is entirely the responsibility of Barclays. The bank says that it faxed the redemption statement to the solicitors several times, and also sent the redemption statement in the post to Mr and Mrs B.

Mr B says that the solicitors didn't receive the faxes, and that Barclays has acknowledged that it had problems with its fax machine (which Barclays doesn't accept). Mr B also says that the solicitors needed the redemption statement sent directly to them, and couldn't act on *"figures I give them as they are not contractually binding and not legally in line with the redemption due process"*.

Mr and Mrs B complained to Barclays. The bank didn't accept that it had failed to provide redemption statements, but did pay compensation of £100 for a data breach when another customer's account was mentioned during a call.

Dissatisfied with the bank's response, Mr and Mrs B brought their complaint to the Financial Ombudsman Service. An investigator looked at what had happened. Initially she didn't think the complaint should be upheld, but later revised this.

In a second opinion, the investigator was satisfied that the redemption statement hadn't been received until 9 June 2022. She thought Barclays should pay £200 compensation, and

reimburse Mr and Mrs B for the interest charged on the mortgage from 1 May 2022 to 8 June 2022 (when the solicitors received the statement).

Barclays didn't accept the investigator's findings and asked for an ombudsman to review the complaint. The bank said that it had confirmed to the solicitors multiple times that the redemption statement had been faxed, but was never told that the faxes hadn't come through. The bank also said that there had been no influx of complaints about faxes not having been received during this period.

On 21 August 2023 I issued a provisional decision in which I made the following findings:

Overall, I'm not persuaded by the evidence that there was a prolonged period of several weeks where Barclays' faxes in relation to this one specific mortgage account weren't being properly sent due to a problem with its fax service. I think that if there had been a systems issue with Barclays' fax service, it would not have affected only Mr and Mrs B's account.

Whilst there might have been an issue with Barclays' fax service, it is just as likely that the problem lay with the solicitors' own fax machine, if, for example, it was not receiving faxes that Barclays was confirming had been sent. In the circumstances, the evidence isn't sufficiently conclusive to enable me to find that Barclays is at fault in respect of faxes sent and not received.

However, even if there had been an issue with the faxes, I'm not persuaded by Mr B's argument that redemption statements sent to him and Mrs B in the post could not have been provided to his solicitors. I agree with Mr B that the solicitors required an accurate figure in order to be able to redeem the mortgage. I think if Mr B had been given a redemption figure over the phone, it wouldn't have been reasonable for the solicitors to rely on that. But a redemption statement sent on Barclays' headed paper giving the redemption figure and the daily rate, along with all the information necessary to redeem the mortgage would, in my opinion, have been sufficient to enable the solicitors to have redeemed the mortgage much sooner – if only Mr and Mrs B had provided those statements to them.

I am therefore not persuaded that Mr and Mrs B did enough to mitigate their position; I think it would have been reasonable for them to have provided the redemption statements they were sent by Barclays – particularly once they had been told by their solicitors that faxes sent by Barclays hadn't been received.

I'm also not persuaded that any delay in redemption of the mortgage has resulted in financial loss. Mr and Mrs B were taking out a lifetime equity release mortgage, borrowing just under £409,000 at an interest rate of 4.90%.

Mr and Mrs B's mortgage – shown on the last annual statement at a rate of 1.98% – expired in March 2022. I don't know if the mortgage moved onto Barclays' follow-on rate when the mortgage expired or if it stayed on that 1.98% interest rate. The follow-on rate would have been Bank of England Base Rate plus 3.49%. Therefore for the relevant period, if the mortgage had gone onto the follow-on rate, interest would have been charged at a rate between 4.24% and 4.49% (as base rate went up from 0.75% to 1.00% on 5 May 2022).

Either way, whether the mortgage had reverted to follow-on rate or stayed on the account rate of 1.98%, the interest Barclays charged was less than the interest Mr and Mrs B would have incurred on their lifetime mortgage at 4.98% over the same period if they'd completed the mortgage on 30 April 2022. Given this, I'm not persuaded Mr and Mrs B have suffered any actual financial loss, as they were charged less, not more, interest by Barclays than they'd have been charged by their new lender.

In all the circumstances, I'm not persuaded the complaint should be upheld. Even if there had been errors with Barclays' fax (and as I said above, the evidence on this is not sufficiently persuasive to enable me to conclude the fault is that of the bank), I'm satisfied that Mr and Mrs B could have taken steps to mitigate their position by providing the solicitors with the redemption statements they'd had from the bank.

Furthermore, even if there had been a bank error (and, I reiterate, the evidence is inconclusive on this), I don't think there's been any financial loss.

I note Barclays paid compensation of £100 for an error in discussing another customer's account. I think this is fair and I'm not intending to order the bank to do anything further.

Barclays had nothing further to add. Mr B reiterated the points he's already made about the redemption. Mr B also says that Barclays' actions were "*financially punitive*" on him and that the bank sent him a letter about being in breach of the mortgage agreement.

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've reviewed the file from the outset, reconsidered my provisional decision and considered the points Mr B has made. Having done so, I am not minded to change the conclusions I reached in my provisional decision.

Mr and Mrs B have made no further arguments about the faxes, and so I remain of the opinion that there is insufficient evidence for me to conclude that Barclays' fax service failed repeatedly just for this one firm of solicitors. As I said above, Barclays wasn't able to identify any systems issues that would have arisen with faxes sent to other parties, if there had been a failure of the bank's fax service.

I've noted what Mr B has said about the redemption statement. But I am satisfied it would have been entirely possible for Mr B's solicitors to have calculated and submitted the redemption funds if Mr B had provided his solicitors with the statements he'd been sent. The figures *had* come from the lender. The redemption statements Mr and Mrs B had received would – if they'd been given them – have allowed the solicitors to send the correct amount for the day they wanted to complete.

So given Mr and Mrs B had the opportunity to mitigate their position, I am not persuaded that it was reasonable for them not to pass the redemption statements they'd received onto their solicitors in order that they could calculate the redemption sum. It would have been a simple enough matter for the solicitors to have confirmed by telephone with Barclays the amount they were remitting for the redemption. I appreciate Mr B will disagree with me on this point, but I'm satisfied redemption could have taken place much sooner if Mr B had provided his solicitors with the redemption statement he'd been sent.

Mr B says the mortgage should have completed on 30 April 2022. However, that was a Saturday, the following Monday was a Bank Holiday and so the next working day would have been Tuesday, 3 May 2022, which is the earliest the mortgage could have completed, if he'd provided the solicitors with the redemption statement so they could have calculated the amount due to Barclays.

The mortgage didn't complete until 14 June 2022, which is 43 days later. Mr B says that during this period he and Mrs B were charged a daily rate of interest by Barclays of £23.61 on the redemption amount of just under £432,000. Over the 43-day period this amounts to £1,015.23.

Mr and Mrs B's new mortgage was for £408,899 at a fixed interest rate of 4.90%. If they'd completed on their new mortgage on 3 May 2022, over the same 43-day period, they'd have been charged interest at a daily rate of £54.89, and would have been charged £2,360.41 ($408,899 \times 4.90\% \div 365 \times 43 = 2,360.41$).

In addition, if Barclays had applied its follow-on rate, this, too, was lower than the 4.90% rate on the new mortgage (as detailed above). Therefore, on the facts, Mr and Mrs B have not suffered any financial loss or detriment or lost out on any interest benefit on their new mortgage as a result of completion taking place on 14 June 2022 rather than 3 May 2022.

I think the £100 compensation Barclays has already paid for discussing another customer's account with Mr and Mrs B is fair and reasonable. Because I'm not upholding the complaint about the redemption statements, I am not ordering Barclays to do anything else.

My final decision

My final decision is that I don't uphold 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 Mr and Mrs B to accept or reject my decision before 5 October 2023.

Jan O'Leary
Ombudsman