

The complaint

Mrs F complains that Barclays Bank UK PLC treated her unfairly when she asked to extend the term of her interest only mortgage. Barclays has accepted that it made mistakes and has offered Mrs F compensation. However, Mrs F doesn't think its offer is enough.

What happened

In February 2019 Mrs F contacted Barclays. Her interest only mortgage was due to expire later that year and she wanted to get advice about her options. Mrs F also wanted to let Barclays know that her husband was seriously ill.

In March 2019 Mrs F spoke with Barclays again. She told Barclays that her husband was receiving palliative care, and that his life expectancy was limited. Mrs F said it wouldn't be possible for her to sell her property in the midst of their personal situation. Mrs F wanted to extend the term of her mortgage so she could sort things out later. Barclays told Mrs F that she should call back when there was a month left on the mortgage term. It said it would discuss at that point what it could do to help.

Mrs F called back in August 2019 as Barclays had told her to, one month before the mortgage was due to expire. She was then told Barclays could and should have done more to help sooner. Mrs F was upset and felt that she'd lost five months in which she could have been sorting out alternatives and reviewing her options. She wasn't happy with the way she'd been treated and made a complaint.

Barclays issued two responses to Mrs F's complaint. In its first response, dated September 2019, Barclays agreed more could have been done to help Mrs F sooner and it offered compensation of £240. It asked Mrs F to send in medical evidence and said it wanted to her to complete an income and expenditure assessment before considering a term extension. Mrs F escalated the matter with Barclays.

Barclays then issued a second final response on 15 October 2019, awarding a further £800 of compensation. It still asked that Mrs F give details of her income and expenditure before it would agree to a term extension.

Mrs F wasn't satisfied with Barclays' responses. She still felt Barclays' hadn't done enough to help her from March to October 2019. Mrs F brought her complaint to us.

Our investigator looked into the complaint. Barclays had accepted it had made an error in not helping earlier and he agreed. He thought the compensation offered was fair and reasonable to settle the matter. Mrs F disagreed and asked that an ombudsman review all the evidence afresh and reach a final decision on the matter. In summary, Mrs F felt our Investigator hadn't appreciated all the calls she'd made and that he hadn't understood what Barclays had done wrong and the impact this had on her.

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.

First, I'd like to offer my sincere condolences to Mrs F. I understand that her husband has now passed away and Mrs F is now in the process of selling her property. I don't doubt that this has been an exceptionally difficult time for Mrs F. I can also appreciate that the issues Mrs F experienced with her mortgage coincided with a very challenging period for Mrs F.

When Mrs F made contact with Barclays in February 2019 she wanted to take proactive steps to sort out what would happen with her expiring mortgage. She also shared information about how poorly Mr F was. Mrs F wanted advice and she asked for Barclays' help to explore her options.

Barclays simply didn't give Mrs F the help and support it should have as her interest only mortgage approached expiring. The regulator, the Financial Conduct Authority, has shared what it considers to be good industry practice for lenders with regards to handling expiring interest only mortgages. Barclays fell short of this standard. Barclays should not have sent Mrs F away and told her to come back in the weeks before the mortgage expired.

Barclays also didn't seem to take what was happening in Mr and Mrs F's personal circumstances into account. It was focused on getting medical evidence and exploring an income and expenditure assessment- but it doesn't seem to have looked at the bigger picture and the reality of the situation Mrs F was facing. It strikes me that Mrs F was asking for some breathing space in which to care and support her husband, and to make major decisions about her future. I think that was a reasonable request for her to have made of her mortgage lender.

Barclays accepts its error, and it has offered compensation that total £1,040. It has also now agreed to extend the term of the interest only mortgage and honour Mrs F's previous interest rate arrangement. That is good to hear, and it is what I would have expected Barclays to have been able to sort out sooner. But I completely accept why Mrs F doesn't feel that its apology and compensation goes far enough. I'm persuaded that the impact of Barclays' actions on Mrs F was considerable. Barclays' treatment of Mrs F caused her suffering, anxiety and inconvenience at an already difficult time.

I've thought carefully about the compensation that has been offered, which has been increased by Barclays before coming to this service. I've also thought about other awards made in complaints I've come across, and the guidance available on our website about the levels of compensation typically awarded for trouble and upset caused by businesses.

In truth, no monetary award can compensate Mrs F for the stress and difficulties she experienced over the course of this complaint. And, Barclays has made an offer for the part it played in causing Mrs F upset by not helping her as it should have done with her mortgage. However, after careful consideration, I think the award made of £1,040 is fair and reasonable to settle the matter.

I hope Mrs F is now able to put this dispute behind her and move on with her plans for the future.

My final decision

My final decision is that I don't uphold this complaint, to the extent that I consider that the compensation and further actions taken by Barclays Bank UK PLC to be fair and reasonable to settle the matter.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or

reject my decision before 20 October 2020.

Emma Peters
Ombudsman