

## **The complaint**

Miss S complains that Barclays Bank UK PLC (Barclays) didn't remove adverse information from her credit file, which meant she couldn't buy a house she wanted. Miss S wants more compensation than Barclays offered to make up for her costs and the distress this has caused.

## **What happened**

Miss S applied for a mortgage in early October 2020 through a financial intermediary (a broker). The lender approached wouldn't issue an agreement in principle so the application went no further. Miss S then discovered that Barclays hadn't removed negative information from her credit file, although it had agreed to do that in 2015. She believes this is the reason why she couldn't get a mortgage offer.

Miss S complained to Barclays and it removed the negative entry on her file. Miss S re-applied to the same lender in November – and this time got an agreement in principle.

Barclays acknowledged it had made a mistake and offered £250 compensation to make up for the trouble Miss S had suffered.

Miss S didn't think that was enough so asked us to review her complaint.

Our investigator agreed and thought the adverse information left on Miss S's file by Barclays was the reason she couldn't get an agreement in principle in October. However, as no full application had ever been submitted there was no certainty that she'd have been offered a mortgage, as there were many other factors that could impact on this. So she thought Miss S had missed an opportunity rather than been financially disadvantaged. She recommended Barclays pay £350 compensation – an extra £100 to make up for this.

Miss S doesn't agree. She said that because of Barclays actions she can't now buy a property as prices have increased and she's missed the exemption from stamp duty timeframe in place when she first applied. She says she also spent money on a survey unnecessarily. In addition, Miss S says Barclays mistake meant that when she applied for a credit card in May 2020 her application was declined – in fact she believes Barclays error has negatively affected her for six years.

Our investigator explained that there was other negative information on her file which could have impacted on her application for credit. She thought that information was too old to influence the mortgage lender, but that wasn't the case at the time Miss S applied for the credit card. So she couldn't say Barclays error was the only reason that application was declined. She said also that although the negative information had been on Miss S's file for years, she couldn't conclude this had affected Miss S – as there weren't any other examples of how Miss S had been affected.

Miss S doesn't think the compensation is high enough so I've been asked to decide this complaint.

## **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'm upholding this complaint for much the same reasons as our investigator. I agree the compensation should be increased to £350 – but not more.

I realise this will be disappointing for Miss S, so I'll explain how I reached this decision.

There's no doubt Barclays made a mistake when it didn't remove adverse information about Miss S from her credit file in 2015. So my considerations here are around the impact this had on Miss S and if the increased compensation is fair.

I've looked at the credit file and I agree that when Miss S applied for a credit card in May 2020 the adverse information that should have been removed by Barclays was still there. But there is additional adverse information on the file which could also have influenced the decision made by the credit card supplier. Miss S hasn't told us she challenged this at the time, so it seems she accepted the decision.

It was only in October, after she couldn't get an agreement in principle, that Miss S checked her credit file and complained to Barclays about the incorrect information. It seems to me that this was the first time she was seriously affected by Barclays mistake. It's unfortunate that this was at the point when she wanted to get a mortgage as putting things right did delay her getting an agreement in principle for a mortgage.

Miss S thinks this means Barclays prevented her from buying the property she wanted. But I can't agree with this. The issue of an agreement in principle for a mortgage is only one step in the process. And although it's an important step there's no guarantee at this point that a full mortgage offer would be made, as that depends on many other factors. We don't know if any of the other factors would have prevented Miss S from getting a mortgage because, even though the lender issued an agreement in principle some weeks later, no full application was ever submitted.

That means I can't conclude that, but for Barclay's error alone, Miss S would have been able to buy the house she wanted. This also means I won't be asking Barclays to compensate Miss S by paying her estimate of how much more it might cost her now to buy a house. Nor will I ask it to refund the amounts of money she paid out – for a valuation, for example – as it was her choice to spend that money before she'd made a full mortgage application.

## **Putting things right**

I do think Barclays error meant Miss S lost an opportunity to apply for a mortgage for about six weeks. That did cause Miss S some distress and inconvenience, but I think £350 is a fair amount for Barclays to pay for this.

## **My final decision**

My decision is that I uphold this complaint, and I require Barclays Bank UK PLC to pay Miss S £350 compensation in total. It can deduct from this the £250 it originally offered, if it's already paid this.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 11 March 2022.

Susan Peters  
**Ombudsman**