

## **The complaint**

Mr M complains that Barclays Bank UK PLC caused delays with his mortgage application. He says his purchase fell through as a result. Mr M asks for compensation of £10,000 for the costs and upset this caused.

## **What happened**

Mr M applied for a mortgage with Barclays in February 2021 via a broker. Barclays had a problem with its systems which meant it couldn't progress the application. This issue still wasn't resolved by the end of May 2021. Mr M's purchase fell through.

Barclays said it would refund the costs Mr M incurred (such as legal fees, searches and brokers fees) if he provided invoices or other evidence of the costs. It offered £500 for the upset and inconvenience its delays caused.

Our investigator said while Barclays caused delays the compensation it offered was fair.

Mr M didn't agree. He feels compensation of £10,000 would be fair.

## **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.

Barclays had problems with its systems that led to delays with Mr M's mortgage application. Mr M says his purchase fell through due to these delays. He found another property and decided – quite understandably – to apply to another lender.

This experience caused inconvenience and stress to Mr M, and I think it's right that Barclays pays compensation. I don't have the powers of a regulator, and I can't fine Barclays. I can consider what effect this matter had on Mr M and whether the compensation offered by Barclays is fair and reasonable in the circumstances. In doing so, I've taken the following into account.

- Mr M's mortgage application was first submitted in mid February 2021 by his broker. The IT problem stopping the application progressing hadn't been fixed by late May 2021 – three months later.
- Mr M says his broker re-submitted the application and chased Barclays on his behalf. Throughout this time Barclays was unable to give Mr M or his broker clear information about when the problem might be fixed.
- Mr M was a first time buyer with a young family. When his purchase fell through, Mr M says he felt his dreams had been shattered. Mr M has found another property to buy.
- Mr M provided evidence of search fees (which Barclays agreed to pay compensation for). Mr M hasn't provided evidence of other costs related to the purchase.

Having taken this into account and considered what Mr M has told us, I think the £500 compensation offered by Barclays is fair and reasonable in the circumstances for the inconvenience and upset caused by its delays. I think it was fair for Barclays to offer to compensate Mr M for the costs of the failed purchase against evidence of the costs.

### **My final decision**

My decision is that Barclays Bank UK PLC should pay £500 compensation (as it offered to do) and re-imburse Mr M's search fees.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 10 May 2022.

Ruth Stevenson  
**Ombudsman**