

The complaint

Miss P and Mr P's complaint about Barclays Bank UK PLC (Barclays) concerns the delay they experienced in Barclays issuing to them a mortgage offer.

What happened

In July 2021 Miss P and Mr P applied for a mortgage with Barclays as they wished to buy a property. This was Miss P's first property purchase. A valuation was carried out by a third-party surveyor on 15 September 2021. When the valuation report was received it incorrectly recorded that the property had deck/balcony access. The effect of this was that the property was then considered by Barclays to be outside of its lending policy. Barclays queried this with Miss P and Mr P's broker, who explained that the valuation report was incorrect, as the property was a ground floor flat and there was no deck/balcony access. On 5 October Barclays repeated the same query and received the same explanation.

On 15 October Miss P rang Barclays to find out whether an amended valuation report had been issued but was told by Barclays that the surveyor hadn't yet been contacted with a request to amend it. Ultimately a mortgage offer was issued to Miss P and Mr P on 30 November.

Miss P submitted a complaint to Barclays who apologised for the delay in asking the surveyor to amend the valuation report. In recognition of that, Barclays offered Miss P and Mr P £50 in compensation.

Miss P and Mr P were unhappy with Barclays's final response and so approached this service to see if we could assist in resolving the dispute. Our investigator thought that there had been poor service by Barclays and the amount of compensation offered was insufficient. She thought £150 would be a fair and reasonable resolution and Barclays accepted that. Miss P and Mr P didn't agree and asked for the complaint to be passed to an Ombudsman for a final decision.

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 issued my Provisional Decision on the 21 April 2022 and Barclays and Miss P and Mr P have responded to say they accept it.

The facts to this complaint are largely agreed. Miss P and Mr P applied for their mortgage in July 2021 and the valuation was carried out on 15 September. Barclays accept the valuation report was incorrect and they accept that there was a delay in returning to the valuer to seek a correction and amended report.

Although the report was incorrect Miss P and Mr P have not complained about the time period between application and valuation. What this means is that the relevant period in so far as considering the length of any delay is after the 15 September.

On 16 September Barclays contacted Miss P and Mr P's broker with a request for clarification about the deck/balcony issue. Although Barclays received the answer to that query that day, it would seem they did not act on it since they raised the same query on 5 October. The same answer was given but I can see that in Barclays final response letter of 20 October although they acknowledged Miss P and Mr P had told them they were buying a first floor flat, they were still working under the belief that there was a deck/balcony issue since they said they had yet to hear back from the valuer to correct the valuation report.

Following Barclays' final response, it seems that further enquiries were made by Barclays resulting in the mortgage offer being issued on 30 November. Barclays have not said when it received the amended valuation report and I have therefore worked on the basis that it would be shortly before the offer was issued. Barclays haven't said there was anything else holding up the issue of the offer. On that basis the delay is around two to two and a half months, being from 15 September to the mid/end of November.

Barclays has accepted that it didn't get things right and because of that it offered compensation to Miss P and Mr P of £50. Our investigator thought this to be insufficient and has suggested £150 is more appropriate. Miss P and Mr P don't think this is enough and Miss P has referred to information displayed on our website regarding how we value compensation and also to guidance she has read concerning the Financial Services and Market Act 2000. Miss P believes that compensation in the region of £500 - £750 would be more appropriate.

When this service considers what an appropriate level of compensation might be, we consider a variety of factors, including the trouble, upset, distress and inconvenience that may have been caused. There is no set figure, since the facts of each case are different, and ultimately it is an exercise of judgement, looking at all the circumstances of the case and coming to a figure which feels fair, when set against the effect upon the complainant of any particular service failures.

I've taken account of the fact that this was Miss P's first purchase and so ought to have been a very special and exciting time for her. Miss P and Mr P's broker provided the right information when asked on two occasions, and Miss P herself rang Barclays multiple times to try to resolve the issue.

I accept the delay would have caused an increase in the levels of stress Miss P experienced, beyond those one would normally experience when making a first-time purchase. I am sorry to hear that there was a toll on Miss P's mental health, although I have not been provided with any specific evidence of the extent of that. I have not been told that Mr P was similarly stressed.

And I note that Miss P and Mr P did reach the point where they reasonably believed that they might lose their purchase if their mortgage offer was not issued very soon. So, I accept Miss P certainly sustained more stress than she would otherwise have felt had things gone smoothly.

I have also taken into account that there was no direct financial loss to either Miss P or Mr P.

Putting things right

So, taking all of these factors into account, I do think that this is a case of a single large error which required any considerable effort to resolve. The impact on Miss P, especially, certainly lasted for more than a few days, and as I have said probably in the region of 10 to 12 weeks. This I think take it slightly beyond our category of an award 'up to £300' and I would place it at the lower end of the next category. I do therefore feel that the compensation offered in this complaint is too low, and I would provisionally award £350.

My final decision

Barclays Bank UK PLC shall pay Miss P and Mr P £350 compensation to settle this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Miss P to accept or reject my decision before 13 June 2022.

Jonathan Willis
Ombudsman