

## **The complaint**

Mr G complains Barclays Bank UK PLC (Barclays) caused excessive delays in dealing with his mortgage application which resulted in him paying extra interest costs on a bridging loan.

## **What happened**

Mr G says he had a mortgage approved by Barclays in March 2021, which was in part to repay a bridging loan he had taken out for a new build property. Mr G says Barclays failed to respond to communications raised by its legal representatives, which in turn caused a long delay in drawing his mortgage and as a result he incurred excessive extra interest on a bridging loan.

Mr G wants Barclays to refund the additional interest he incurred on his bridging loan, given the delays Barclays caused over a period approaching two months.

Barclays says the delays were caused by Mr G's solicitor not processing the information it had sent. Barclays did accept there was some poor customer service and offered Mr G £125 by way of compensation.

Mr G wasn't happy with Barclays response and referred the matter to this service.

The investigator looked at all the available information and upheld Mr G's complaint. The investigator felt from the information he had seen, Barclays hadn't provided the solicitor with a confirmation to proceed and this was the primary cause of the delay. In the circumstances the investigator felt Barclays in addition to the £125 for the inconvenience caused, should pay Mr G a refund of the interest charged to his bridging loan for the period 27 May 2021 to 6 July 2021, totalling £1,257.60.

Barclays didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

I sent both sides a provisional decision, where I said :

*I've considered all of the evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Having done so, while I uphold this complaint I have a slightly different proposal to the level of redress offered to Mr G.*

*I can understand it would have been frustrating for Mr G to experience delays in repaying his high cost bridging loan, through no fault of his own.*

*When looking at this complaint I will consider if Barclays could have done more to ensure the mortgage it had agreed was drawn down in a timely manner.*

*Mr G's complaint centres around the fact Barclays failed to respond promptly to communications to the solicitor acting, which resulted in unnecessary delays in drawing down his mortgage and repaying the bridging loan he had taken, in part, towards his new*

*build property. Mr G says Barclays were made aware he had a bridging loan from the start of the mortgage agreement, in March 2021.*

*It's fair to say Barclays were aware of the purpose of Mr G's mortgage that it was in part, to clear a bridging loan he had taken out towards a new build, which has been accepted by them, so it's reasonable to say a degree of urgency was expected by Mr G here, given the cost of that bridging loan.*

*While I can't expect Barclays to have to agree to a deadline in these circumstances, as it would be reliant on its legal advisors to perfect its security, what I would expect, knowing a completion was required, would be for it to ensure all communications were dealt with promptly, but I'm not convinced that happened here.*

*I say this because Barclays provided an email to this service on 3 May 2022, with a detailed timeline of events. In that timeline it highlights on a number of occasions, responses weren't sent even though its own internal department had asked for this to be done. In particular Barclays should have communicated it was happy to proceed with the mortgage, on 27 May 2021 to the solicitor, but by its own admission this communication wasn't sent. The timeline suggests this wasn't carried out until the end of June 2021 and that other case notes had also not been read by Barclays staff.*

*With that in mind, although Barclays says it couldn't go ahead until it have received a Certificate of Title and that wasn't received until much later, I am satisfied this was a direct result of Barclays not communicating properly with the solicitor here.*

*So, like the investigator I agree Barclays could have done more to ensure the completion of the mortgage much sooner. Where I disagree slightly with the investigator, is with the amount of interest to be refunded. Although the mortgage in all probability could have been drawn in late May 2021 as the investigator suggests, rather than the actual completion date of 6 July 2021, I need to take into account Mr G would have paid interest on his mortgage, representing the amount of the bridging loan outstanding during this time.*

*So, I propose Barclays reimburse Mr G the extra bridging loan interest he incurred, at the rate of £31.44 per day for 40 days, less the interest Mr G would have paid on the equivalent balance of his bridging loan, at his Barclays mortgage rate for the same period. Mr G should provide the investigator, with a statement of his bridging loan for the period covering 27 May 2021 to 6 July 2021, to pass onto Barclays to aid its calculations.*

*Barclays have offered Mr G £125 for the inconvenience caused and I am satisfied this is sufficient as I wouldn't expect Barclays to cover Mr G's time here, only that it accepts it has made a mistake and apologises for that. So, I propose Barclays pay £125 in addition to the interest detailed above.*

*While neither Barclays nor Mr G may be disappointed with my decision, but I am satisfied this is a fair outcome.*

*I gave both Mr G and Barclays until 30 September 2022, to accept or reject my provisional decision.*

*Both Barclays and Mr G have accepted my provisional decision, so the case has been passed back to me to make 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.

Mr G has provided this service with some information regarding his bridging loan to assist Barclays in its calculations and I would ask the investigator to provide this to them. To be clear Barclays need to calculate the amount of interest Mr G would have paid, at his Barclays mortgage interest rate, based on the balance of his bridging loan sum, for 40 days and pay Mr G the difference between that amount and £1,257.60, which was the amount of interest he paid on his bridging loan for the same period.

Barclays should also pay Mr G the £125 it previously offered for the trouble and upset it caused.

With that in mind I see no reason to change or alter my provisional decision and so my final decision remain the same.

### **Putting things right**

I instruct Barclays Bank UK PLC to reimburse Mr G the extra bridging loan interest he incurred, at the rate of £31.44 per day for 40 days, less the interest Mr G would have paid on the equivalent balance of his bridging loan, at his Barclays mortgage rate for the same period.

In addition, Barclays should pay Mr G the £125 it previously offered, by way of compensation for the trouble and upset caused.

### **My final decision**

My final decision is that I uphold this complaint.

I instruct Barclays Bank UK PLC to reimburse Mr G the extra bridging loan interest he incurred, at the rate of £31.44 per day for 40 days, less the interest Mr G would have paid on the equivalent balance of his bridging loan, at his Barclays mortgage rate for the same period.

In addition, Barclays should pay Mr G the £125 it previously offered, by way of compensation for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 31 October 2022.

Barry White  
**Ombudsman**