

## **The complaint**

Mr and Mrs B complain Barclays Bank UK PLC ("Barclays") has not helped them since they fell into arrears.

## **What happened**

Mr and Mrs B applied for a commercial mortgage with Barclays in 2008.

Since then, Mr and Mrs B have taken further loans to make improvements to their property, and this was consolidated into one mortgage in 2016.

Mr B has a disability which he says has worsened over the course of the mortgage and he's now unable to work. Mr and Mrs B say Barclays hasn't worked with them to find a way for them to keep their home. They say they've only been offered payment deferrals which have worsened their debt, and this has caused significant stress to them and their family.

Barclays issued a new final response on 20 July 2022. It didn't refer to what correspondence had been had between the parties, but it did acknowledge a flag should have been applied to Mr and Mrs B's account to indicate Mr B is a vulnerable customer. It apologised this didn't happen and offered £75 in compensation

Mr and Mrs B say Barclays hasn't addressed their concerns and they didn't accept the offer, so they continued their complaint with this service. Our investigator looked into Mr and Mrs B's concerns, but they didn't think Barclays needed to do anything more. As Mr and Mrs B remained unhappy their complaint has been passed to me to decide.

## **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.

Having done so, I don't think the complaint should be upheld. I'll explain why.

I note Mr and Mrs B previously referred a complaint to the ombudsman service and said that Barclays was irresponsible when it agreed to the mortgage – that it should have anticipated Mr B's disability would worsen and that they wouldn't be able to afford the mortgage. Another ombudsman looked at that case and issued a jurisdiction decision to say the events Mr and Mrs B complained about were out of time under the rules we have to follow, so this service couldn't consider the complaint.

Looking at the complaint points Mr and Mrs B have raised in this case, many of the points overlap. As an ombudsman has already said those points are out of our jurisdiction, I won't be able to consider those points further. So, for clarity, I will separate what I can and can't look into below.

I can't consider Mr and Mrs B's concerns about the following:

- Barclays didn't consider whether Mr and Mrs B would be able to make their repayments for the life of the mortgage, considering Mr B's disability.
- Barclays said Mr B wouldn't be able to get payment protection insurance because of his disability, which otherwise may have helped them to repay their mortgage.
- Mr and Mrs B still owe as much as they did when they took out the original loan.

I can, and have considered Mr and Mrs B's concerns about following:

- Barclays hasn't made reasonable adjustments for Mr and Mrs B considering Mr B's disability.
- Barclays didn't discuss options for repayment before appointing receivers.

Our service is an informal alternative to the courts. This means we don't have the power to make a finding on whether Barclays' actions amount to discrimination under the Equality Act 2010. Having said that, we do take all relevant legislation and regulations into account before reaching a finding on what we consider to be fair and reasonable. So, that's what I've done in Mr and Mrs B's case.

Mr and Mrs B say the final response letter proves Barclays didn't make reasonable adjustments for them. I've thought about this, and I appreciate why Mr and Mrs B feel this way, but I don't think it does. Barclays has apologised because it hadn't applied a flag to Mr and Mrs B's account to highlight Mr B was vulnerable customer. While it should have done this, it's important to understand Mr and Mrs B's account was being looked after by a business support team ("BBS") who operate on a different system. BBS was fully aware of Mr and Mrs B's circumstances, and all exchanges would have been handled by that team until they were passed onto Debt Recoveries, who were also made aware of Mr and Mrs B's situation. So, I don't think the missing flag would have had an impact on Mr and Mrs B at the time it wasn't in place. Barclays has offered £75 to say sorry it wasn't applied sooner, and I think that's fair in the circumstances.

That said, I still need to consider whether reasonable adjustments were necessary and if so, what Barclays did about that. Mr B hasn't provided much detail about his disability or how it affects him, but Mr and Mrs B have been unable to meet their monthly repayments on time for an extended period, and all parties accept it's unlikely, due to the severity of Mr B's disability, that he'll be able to run the business going forward.

From what I've seen, Mr and Mrs B haven't asked for any specific reasonable adjustments other than for Barclays to show understanding of their inability to meet their repayments. So, I think the main complaint point is really about whether Barclays gave Mr and Mrs B the opportunity to find another way to keep their home and that's what I've focused on in this decision.

Mr and Mrs B paid off their arrears in 2018, but they started missing payments again, so their account was referred to BBS in January 2019. Mr and Mrs B were granted a payment deferral from June 2019 to November 2019, then as a result of the coronavirus, Covid-19, pandemic ("the pandemic") Barclays granted three months' payment deferrals in May 2020 and another from November 2020 through to June 2021. This was longer than was normally given due to Mr and Mrs B's holiday lettings business which would have been impacted on by the pandemic.

Mr and Mrs B have complained that Barclays kept offering them payment deferrals which has only increased their debt. But I haven't seen anything to demonstrate they would have been able to make their repayments if the deferrals weren't in place. The payment deferrals bought them time to find a way forward and get back on track, but unfortunately, given Mr B's disability, this wasn't possible.

I can see BBS emailed Mr and Mrs B on 15 June 2021 – around the time their final payment deferral came to an end. BBS explained it could continue to assist them if they kept up their repayments going forward, but if they missed another repayment, they would be transferred to the Debt Recovery Unit. BBS said, if Mr and Mrs B needed more time to put a repayment plan together and could provide evidence they would be able to fund the mortgage going forward, they may be able to stay with BBS for longer. But if they couldn't provide evidence, BBS could transfer them to Debt Recovery as soon as possible so they could start discussing their options further. BBS asked Mr and Mrs B to let them know which option they preferred.

Mr and Mrs B don't appear to have replied and in August 2021 they missed another payment. So, BBS contacted them again on 25 August 2021 and said that they hadn't received a response to the previous email, but they needed to know how Mr and Mrs B wanted to progress. Mr and Mrs B confirmed they had assumed they were being transferred to Debt Recovery already and that they agreed the referral should go ahead.

Following this, a formal demand was issued on 15 September 2021 to start the transfer process. Debt Recovery then issued a letter on 26 November 2021, which explained that an agreement needed to be reached to repay the debt and without this, it was possible they would appoint receivers.

Mr and Mrs B say they had some ideas of how they could maintain the repayments or settle the account. But Barclays didn't receive any further payments and from what I've seen, the proposals made by Mr and Mrs B would more likely than not take a long time to come to fruition. While I appreciate they wanted more time, they had been struggling to make their repayments for a number of years at this point and I think it's reasonable if Barclays wanted a quicker solution.

Barclays sent a third-party surveyor to attend Mr and Mrs B's property on 10 March 2022. Barclays wrote to Mr and Mrs B to provide a copy of the valuation completed on the property. It explained that due to concerns over converting the holiday lettings into residential accommodation, the surveyor felt it was only possible to sell the property as one package. Although they did say the land could potentially be sold in portions this wouldn't be enough to clear Mr and Mrs B's debt on its own.

Mr and Mrs B say they got their own valuation completed by a specialist in the area, which was higher. They say their surveyor gave more options that may allow them to pay off their debt in full and still keep their home. So, they feel Barclays hasn't explored all the options and is settling for a low amount at their expense.

Although Mr and Mrs B seem to think both surveyors' views conflicted significantly, from what I've seen, both surveyors had concerns about being able to sell the property as separate plots. There were a few reasons for this including that the local council was unlikely to agree given their residential home is a grade II listed building and converting the holiday lettings to residential properties would set a precedent in the area. In any case, Barclays hired a professional third party to complete the survey and it's entitled to rely on the advice of that surveyor.

Following this, on 21 June 2022, Barclays wrote to Mr and Mrs B to give them 14 days' notice of its intention to appoint receivers. I understand this will have been very upsetting for Mr and Mrs B, particularly considering what they've said about ongoing health concerns Mr B, Mrs B and three of their children were living with. While I empathise with them, I don't think Barclays could have done much more to help them. Unfortunately, Barclays can't allow the situation to go on indefinitely and from what I've seen it's given Mr and Mrs B a significant period of time to work things out. Barclays seems to have been in open communication with Mr and Mrs B and it seems to have given fair consideration to the options available.

Considering everything, I haven't seen that Mr and Mrs B asked for any specific reasonable adjustments. Or that Barclays didn't take Mr and Mrs B's circumstances into consideration when it should have. The main issue centres around the fact Mr and Mrs B are unable to afford their mortgage and there's limited prospects of them being able to in the near future. I think Barclays gave them a long time to propose a suitable way forward. As no progress was made, Barclays eventually started the process of recovering the debt by appointing receivers and I don't think it had any other viable options available to it.

For the reasons I've explained, I don't uphold Mr and Mrs B's complaint, but if they want to accept Barclays' previous offer they can sign and return the attached settlement form.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B and Mr B to accept or reject my decision before 16 March 2023.

Hanna Johnson  
**Ombudsman**