

## **The complaint**

Mr M and Ms M complained that Barclays Bank UK PLC offered them new interest rates on their mortgage, shortly before their old mortgage deal expired, but didn't make clear that the rates they were offered could change at any time. They say they missed out because of this.

## **What happened**

Whilst this complaint is brought by both Mr M and Ms M, as the mortgage is in both their names, our dealings have been with Mr M. So I'll mainly refer to him in this decision.

Mr M said Barclays wrote to him shortly before the expiry of his existing interest rate deal, to say that if he wanted to avoid going onto its standard variable rate, then he could now access new interest rates online. Mr M said he looked at the rate switching website on the day he got the letter, and completed most of the transaction. He stopped just before he paid the fee for the new mortgage deal.

Mr M said that none of the information Barclays provides to customers looking to fix a new rate themselves, explains that these exclusive existing customer rates are variable, and can change within the 90 days before the customer's old mortgage deal expires. Mr M said if he'd known that, he would have completed the transaction right away. Mr M said he was only told this some time later, when he called Barclays, and it said rates were subject to change.

Mr M said he completed the transaction soon after that, but wasn't able to secure the most attractive rate he'd previously seen, when he first accessed the service. He thought Barclays should honour that rate for him, because it hadn't told him rates could change.

In its complaint response letter, Barclays said its documentation does set out that rates can change, but it accepted that Mr M hadn't been able to view a Mortgage Information Sheet as part of his application process. When this complaint came to us, Barclays pointed to the Mortgage Information Sheet, as the place where it told Mr M rates could change.

Our investigator initially upheld this complaint, on the basis that Barclays had accepted Mr M hadn't been able to view the Mortgage Information Sheet during this application, and that was where customers were told rates were subject to change. But then Barclays said it could show Mr M had accessed the Mortgage Information Sheet after all. And it didn't think it was responsible for Mr M's belief that rates wouldn't change. It also noted that Mr M spoke to an agent on 24 March, who confirmed rates could change at any time, but then Mr M didn't complete his application until 30 March.

Our investigator then changed his mind. He no longer thought this complaint should be upheld, because he thought Mr M had seen the Mortgage Information Sheet after all. So he had been told that the interest rates he could see were subject to change.

However, our investigator said Barclays' response to Mr M's complaint had been confusing and unhelpful, so it should pay £50 to make up for that.

Mr M didn't agree. He said he hadn't been able to access the Mortgage Information Sheet. He'd clicked the link a number of times, but it didn't download. And he said that document alone wasn't enough for a customer to know that rates were variable during the remortgage period. That file is only available after a particular rate is selected, but the overall list of available mortgages doesn't mention that rates are variable, it just says something like "*Here are the mortgages to which we can switch you today*". He said there ought to be a statement there that rates are subject to change, and there isn't. The only way to find that out is to view an illustration of a specific mortgage, and it isn't flagged that this is where he will find this important information.

Mr M said he still thought Barclays wasn't clear, and as a customer, he couldn't know that rates were subject to change until he'd almost completed his transaction. He said that didn't encourage him to act promptly, which has ended up costing him more money. He thought specifying rates can change is important information that should be displayed prominently.

Mr M wanted his complaint to be considered by an ombudsman, so it was passed to me for a final decision. I then reached my provisional decision on this case.

### **My provisional decision**

I issued a provisional decision on this complaint and explained why I only proposed to uphold it in part. This is what I said then:

I understand Mr M expected that the rates he saw when he first looked online, would remain available to him. And he said that if this wasn't the case, Barclays should have been clear about this, so he would know he needed to act quickly. Mr M doesn't think that Barclays' putting this information in the Mortgage Information Sheet was sufficient to make customers aware that rates can change, and he maintains that he was never able to see this document.

I don't think it's likely Mr M did successfully view the Mortgage Information Sheet during his first attempted application. But I don't think that means Barclays has to reduce his mortgage interest rate in the way he'd like. That's because I don't think that whether or not Mr M did see the Mortgage Information Sheet was key in this case. I'll explain those conclusions in turn.

I've looked at the timing of Mr M's attempts to access the Mortgage Information Sheet. Barclays says Mr M accessed this successfully, three times in a row. The three documents it has supplied to us are identical. And it's shown us the times when Mr M apparently repeatedly downloaded that document. He did this three times, within a period of less than 40 seconds.

I don't think it's likely that Mr M downloaded the same document successfully three times in the space of 40 seconds. I think the timing of these attempts means it's just more likely that he repeatedly pressed a button on Barclays' website which failed to load the required document for him.

So I don't think it's likely Mr M ever saw the warning on this information sheet, saying that the rate was only valid on that particular date. But I've also said I don't think this means Barclays has to change Mr M's rate now.

I think it can be difficult, when setting out information for customers, to strike the right balance between including key information, and providing too much. And when something turns out to have been particularly important to someone, like here, where the fact that rates can change was important to Mr M, then I understand why he would

say that Barclays should have made him aware of this. I can understand why he would say a warning that rates could change should have been displayed prominently on Barclays' website.

But I think Mr M feels this should have been included because he had reached the view that he could just return to his application later, and the same rates would be available to him. And, importantly, I don't think that Barclays is responsible for Mr M thinking that.

I can't find anything in the letter Barclays sent to Mr M that suggests it will offer rates now which he can access at any time until his old mortgage deal expires. And I think the heading above the list of mortgages, which he quoted as "*Here are the rates you are eligible for today*" and "*Here are the mortgages to which we can switch you today*" suggests these aren't rates that will always be available to him. I think either of those headings would suggest that these are today's rates.

I know Mr M doesn't think that short statement was enough to dispel his view that he could just come back to the website some time later, and access the same rates. But because I don't think Barclays is responsible for Mr M having thought that in the first place, I don't think it was also responsible for dispelling the view he had reached.

That means I don't think it's fair and reasonable to ask Barclays to honour the rates Mr M could see when he first accessed its website.

I do though, agree with our investigator that Barclays' response to this complaint was unhelpful, and has prolonged matters for Mr M and Ms M. And I think the timing of Mr M's attempts to view the Mortgage Information Sheet mean it is unlikely that he was able to successfully download that, after all.

There is a chance that if Mr M had been able to download this information, the problem here would have been solved, as he would have understood the rates weren't permanent. Although I appreciate the problem could also have been solved if Mr M had rung Barclays at the time about the difficulties he was having with this download, I do still think Barclays should pay a little more compensation than it has offered, for the problems I think Mr M ran into with his application. So I think Barclays should pay Mr M and Ms M £100 in compensation, to make up for that.

I know that Mr M and Ms M will be disappointed, but I don't think Barclays has to do more than that.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both sides replied.

### **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 said it was happy to accept my decision. Mr M replied, on behalf of himself and Ms M, to object.

Mr M said he was surprised by my decision, and he continued to disagree with it.

Mr M said that UK regulation has been heavily predicated on customers shopping around, but to do that the customer needs all the relevant information to allow them to make an appropriate decision. He still thought Barclays was responsible for conveying essential

information to the customer about how its rates operate, both before and during the contract. For example it would tell him whether the rate is variable or fixed within the term. So Mr M wanted to know why it wasn't also responsible for telling him clearly the basis on which the rate could change from day to day, or even during a day?

Mr M said that without this information, he couldn't reasonably shop for a better deal, particularly in a changing rate environment. Mr M said that when he and Ms M originally saw the rates, they decided to compare these with other providers to ensure they got the best deal. At no point were they told Barclays' existing customer rates could change during the exclusivity period. Mr M wanted to know if it was my view that he should have proactively asked? He said that the process for renewal rates was flawed if it misses out key information. And he said it couldn't be part of the process that he should have to check. He felt that he and Ms M should have been given all the relevant information in a clear way to enable them to make an informed decision. They didn't get that, and said I seemed to be saying it was their responsibility to ask, which couldn't be right.

Mr M said he wanted to return to the point about information on the variability of interest rates during a switching period. If Barclays as the lender, controlling the rate and determining how and when it changes, isn't responsible for telling the customer how and when this rate can change before the rate is bought, then he wanted to know who was? The only way he could get this information was by asking Barclays. To do this, though, he would need to know to ask.

Mr M said that my summary said Barclays wasn't responsible for the variability of the rates during the exclusivity period. But he said there was no explanation for why this was the case.

Mr M said he would also strongly encourage me to review the customer journey he underwent from the beginning to its completion. He said I would notice that the statements quoted were not headings. Instead they are statements in longer sections of text. And he said that if these statements were in part the basis for my decision, he would suggest they were reviewed and reconsidered on the basis of their prominence and their position in the journey. For example if he needs to read all information in full and infer the possibility of a more technical implication from a fairly anodyne statement within a paragraph introducing a table (e.g. that rates are variable on the basis of "*Here are the rates we can switch you to today*"), that did not strike him as clear or fair.

I'll start by addressing what I think may be a small misunderstanding – Mr M said my summary had said Barclays wasn't responsible for the variability of rates during the exclusivity period. But I didn't say that. What I said was that I didn't think Barclays was responsible for Mr M having reached the view that he could just come back to its website some time later, and access the same rates. And I said it was because I didn't think Barclays was responsible for Mr M having thought that in the first place, that I didn't think Barclays was also responsible for dispelling the view Mr M had reached.

And I should also say that my decision doesn't rest solely on the parts of Barclays' web page that Mr M quoted above. I recorded that to note that what Barclays has said does appear to be consistent with its position that rates can change.

Overall, whilst I have sought to set out Mr M's comments in full, I do think he is, in substance, restating the argument he previously raised with our service. I do understand that Mr M is coming to this complaint from a different viewpoint. He had assumed that any offer made to him would be honoured until the time when his mortgage renewal was due. However, as I've noted above, my provisional decision was based on my view that I didn't think Barclays was responsible for creating that impression.

I should also note that this isn't likely to be an issue in other cases. Barclays says it is clear that rates are variable. But this is expressly set down in the Mortgage Information Sheet, and I've accepted here that it's unlikely Mr M saw that document.

I've reconsidered Mr M's arguments above, and, whilst I do appreciate that Barclays is responsible for making sure its communications are clear, I still think that it needs to strike the right balance between including key information, and providing so much that what's there just isn't read. And I just don't think it's reasonable for me to expect Barclays to have foreseen Mr M's assumption that the mortgage rates that it invited him to view in early February would remain entirely unchanged for around 90 days, regardless of external factors such as changes to the Bank of England base rate. Without that, I also don't think I can hold it responsible for what Mr M says is the result of Barclays not having acted to dispel this misunderstanding at the first available opportunity.

So I still don't think that Barclays has failed to provide sufficient information on its mortgage renewal offer to Mr M and Ms M, and I don't think it has to honour the previous rates for them now.

For the reasons set out above, I haven't changed my mind. I'll now make the decision I originally proposed.

### **My final decision**

My final decision is that Barclays Bank UK PLC must pay Mr M and Ms M £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Ms M to accept or reject my decision before 28 December 2022.

Esther Absalom-Gough

**Ombudsman**