

The complaint

Mr G complains about the delays caused by Barclays Bank UK PLC and its solicitors which meant that his re-mortgage didn't happen by 28 February 2022 when his existing mortgage product with his original lender ended. As a result, Mr G's mortgage went onto that lender's Standard Variable Rate (SVR) before the remortgage concluded. Mr G wants compensation for the extra money he had to pay for the time he was on his previous lender's follow-on rate and the stress and time involved.

What happened

Mr G had a mortgage with another lender with a mortgage product that would come to an end on 28 February. Mr G approached Barclays for a remortgage and got a mortgage offer on 11 January 2022. Barclays appointed a firm of solicitors on its conveyancing panel – I shall call that firm X - to complete the remortgage. Barclays says that it sent a mortgage offer out to Mr G and a copy to X with instructions to act on its behalf in relation to the remortgage.

X contacted Mr G by letter dated 25 January 2022 and Mr G supplied X with all the documents it requested by the end of January. X sent Mr G a text message on 2 February acknowledging receipt of the signed documents and saying that they would be in touch about a completion date. Mr G was on holiday between 19 February and 12 March and received no further contact from X. But Mr G realised that the matter hadn't completed when his existing lender took an increased monthly payment in March. X told Mr G that it hadn't completed because it hadn't got the mortgage offer from Barclays and X then, on 23 March, requested Barclays reissue the mortgage offer. The matter completed on 5 April 2022.

Our investigator's view

Our investigator didn't recommend that this complaint should be upheld as he felt that Barclays had done nothing wrong and that X should have contacted Barclays sooner if the mortgage offer hadn't been received so, any fault lay with X. Mr G disagreed and asked for a review.

My provisional decision

As my view of his complaint differed from that of our investigator I issued a Provisional Decision as set out below:

"Mr G was remortgaging with Barclays. It was important to him that the completion of the re-mortgage coincided with the end of the fixed rate period of his mortgage product with his previous lender. A mortgage offer was issued and Mr G seems to have supplied all the information X required by the end of January and it was reasonable for him to assume that X would proceed to complete the remortgage and drawdown the new mortgage by 1 March.

But that didn't happen. X says the reason for that is that Barclays didn't send it the mortgage offer. Barclays says the mortgage offer went out in the post and Barclays says X could have contacted the bank if it didn't receive the offer. X says that under its service level agreement

with Barclays it is “prevented from chasing Mortgage Offers “. Barclays says its unaware of any process that would prevent X from contacting Barclays.

Barclays instructed X to act on its behalf in the remortgage when it sent out the letter of instruction on 11 January 2022. That letter refers to a mortgage offer enclosed, and the package also contains a draft mortgage deed and a certificate of title. I believe that it's likely that X got this package as that package contains its instructions and it's unlikely that X would have commenced the remortgage process without instructions.

X says that it was prevented from completing because it didn't have the mortgage offer. When it did get a further copy of the mortgage offer it was able to complete the remortgage in about two weeks. It seems to me that if X had the mortgage offer earlier, and I suspect that it had it from early January, that it should have been able to complete in time for 1 March. But that didn't happen, and Mr G had to pay a higher interest rate because of that.

But this complaint is against Barclays. The instructions from Barclays to X dated 11 January 2022 are to act on its behalf. The letter from X to Mr G dated 25 January 2022 say “We'll be acting for Barclays only in dealing with the legal aspects of your remortgage “and “we won't be acting on your behalf “. Both letters indicate that X was instructed by Barclays to act on its behalf and not on behalf of Mr G. Mr G as a customer of Barclays was entitled to expect that Barclays and its representatives would complete this transaction with reasonable expedition. There were no external factors that I am aware of that would have prevented this remortgage completing by 1 March.

This remortgage should have been completed by 1 March and the fault for that delay lay between Barclays and the solicitors working on its behalf. Either Barclays didn't send the offer out to X or X mislaid the offer and Mr G suffered as a result. As X was acting on behalf of Barclays in this transaction, I intend to uphold this complaint against Barclays.

Mr G should be compensated for the financial loss that he suffered and the disappointment of the remortgaging not happening when it should have done. For Mr G's financial loss, Barclays should pay the difference between the amount that Mr G paid on the follow-on rate with his previous lender and the amount that he would have paid Barclays on the new mortgage rate from 1 March until completion. Mr G says that this is £732.34. I would be grateful if Mr G would send me evidence of this. Barclays should also pay Mr G £300 for his distress and inconvenience.”

Before coming to my final decision, I invited submissions from Mr G and Barclays, and I asked for information to assist me in coming to a figure on Mr G's financial loss. Barclays said that they were happy to accept my decision. Mr G engaged with me about the evidence to support his financial loss claim. Barclays has confirmed the financial loss as £557.08, and that figure has been accepted by Mr G.

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've reviewed the evidence on this file in light of the further submissions from Mr G and Barclays and I'm satisfied that my Provisional Decision represents a fair outcome to this complaint. The financial loss element has been worked out as £557.08 and as Mr G has been out that money from March/April 2022, according to our practice, Mr G would be due interest on that money. Although one of the payments Mr G complains about was made on 31 March 2022, as Barclays calculations are done to the 7 April rather than 5 April which is of some benefit to Mr G, I believe, it's fair to acknowledge that and that the interest on the

financial loss should run from 7 April 2022.

Putting things right

I require Barclays Bank UK PLC to:

1. Pay Mr G the difference between what he paid to his previous lender from 1 March 2022 until 5 April 2022 and what he would have paid Barclays had his new mortgage started on 1 March 2022. The agreed figure for that is £557.08. In addition, Barclays should pay interest on this figure at 8% simple from 7 April 2022 until date of payment. If HM Revenue & Customs require Barclays to take off tax from this interest, Barclays must give Mr G a certificate showing how much tax it has taken off if he asks for one.

2. Pay Mr G £300 for his distress and inconvenience.

My final decision

My decision is that I uphold this complaint and require Barclays Bank UK PLC to pay compensation as set out above

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 April 2023.

Gerard McManus
Ombudsman