

The complaint

Mr D complains that Barclays Bank UK PLC allowed his ex-partner to make changes to the mortgage they hold jointly, despite telling Barclays that he didn't consent to any changes.

What happened

In 2012, Mr D took out a joint mortgage with his now ex-partner with Barclays.

In November 2021, Barclays' records show that it was made aware of a dispute between Mr D and his partner.

In December 2021, Barclays agreed with Mr D's ex-partner to switch the mortgage to a three-year fixed interest rate.

Mr D complains that Barclays should not have allowed his ex-partner to switch the interest rate product without his agreement. – and that he wasn't aware of that because Barclays was writing to the wrong address.

I issued a provisional decision. My findings, which form part of this decision, were:

After reviewing the file, I told Mr D that I was considering dismissing the complaint as Mr D's ex-partner wasn't part of it. He clarified that he was not looking for the new interest rate product to be removed. I'm satisfied on that basis that I am able to reach a decision on the merits of this complaint.

Usually a mortgage lender will look for both parties on a joint mortgage to agree to a new interest rate product. If there is a dispute between the parties and one party won't agree to a new interest rate product, it can leave the party who is paying for the mortgage in a difficult position. While it is unlikely that we would tell a bank that it must allow such a change to be made with only one party's agreement, I can understand why, depending on the individual circumstances of a case, a mortgage lender might agree such a change based on only one party's agreement and where it does not disadvantage the other party.

Mr D argues that contractually, Barclays could not change the product without his authorisation. That may be correct contractually. But I must determine what I consider to be fair and reasonable in all of the circumstances.

By allowing the product switch, the payments will be cheaper than they would have been had the mortgage reverted to the standard variable rate. As things stand Mr D is still jointly and severally liable for the mortgage. So it is difficult to say that he has been financially disadvantaged by the switch. And I consider it was reasonable for Barclays to consider that the switch would not harm him financially.

Mr D said that the financial settlement would have been agreed with his ex-partner if Barclays had not agreed the new financial product. As a result, his ex-partner has no reason to agree to a financial settlement and therefore he has been disadvantaged. He said that he can't get a mortgage, missed out on a mortgage offer, has to continue renting and has to

work overtime in order to meet his commitments – reducing the time available to have access to his child.

What Mr D is saying that if Barclays had not agreed the new mortgage product, then he would have entered into a financial settlement with his ex-partner and his ex-partner would then have remortgaged in her sole name, so he would not be liable for the mortgage. I consider it would be very difficult for me to reach such a conclusion.

Other than what Mr D has said, there is no evidence that the financial settlement would have gone ahead but for Barclays' decision to agree a new product. Ultimately, that is between Mr D and his ex-partner. I consider a lot of the points Mr D has made relate to that dispute – and it is a stretch to put the failure to reach any settlement on Barclays.

Even if such an agreement had been reached and as part of that settlement Mr D's ex-partner agreed to take on the mortgage in her own name, it doesn't follow that would have been possible. Usually in such settlements one party will agree to use their "best efforts" to arrange a mortgage in their sole name. But the settlement does not oblige the existing lender to switch a joint mortgage to a sole name. Nor does it follow that another lender would agree to such a switch. It would require the lender to assess whether the new mortgage was affordable.

I don't see how I could fairly reach a decision on whether a third party would have qualified for a mortgage or not. Each lender will have its own criteria that will change from time to time and any lending decision would depend on a number of variables.

So it is possible, even if a financial settlement had been reached (and I am not persuaded that it necessarily would have been) and if Barclays had not agreed a new product, that Mr D would have remained on the Barclays mortgage in any event and remained jointly and severally liable for it.

It appears that Barclays did not write directly to Mr D about the changes to the mortgage. In the circumstances it ought to have done so. I accept that has added to Mr D's upset and inconvenience. I consider it should pay him £150 to reflect that.

In the interest of fairness, I'm required to share every piece of evidence that was material to my decision. I understand that the investigator has already shared that with Mr D. If Mr D wants all of Barclays records relating to the account, he can make a subject access request. But I don't know if that will have all of the information he wants.

Barclays accepted my provisional findings. Mr D did not. He made a number of points, including:

- We should obtain transcripts of calls he had with Barclays where he told it he would not agree to any change and Barclays told him that no amendments could be made without his authority. He also told it his new address in those calls.
- Barclays should also provide a full statement of account, showing the changes to the mortgage and full details of the application and decision process.
- Barclays has admitted that it has committed a "fraudulent action",
- This matter has caused him a significant financial loss, including the rent he has paid, legal fees. It's also had an impact on him personally causing him anxiety and stress. He

is unable to spend as much time as his child as he is allowed because his financial commitments require him to work to meet his commitments.

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 thought carefully about the outcome in this case. Having done so, I don't see any reason to change the outcome I reached in my provisional decision.

I accept that the usual position is that where there is a known dispute between joint parties on a mortgage, the lender will not make changes without both borrowers' agreement. We don't have the phone calls that Mr D has referred to. But it isn't in dispute that he told Barclays about the dispute. I agree that it is likely that Barclays told him that it would not change the mortgage without his agreement. It doesn't follow that by later agreeing to changes to the mortgage that those changes were unfair or unreasonable.

The difficulty where there is a dispute like this, is that it can leave one party who is paying the mortgage in a difficult position if a fixed rate interest rate comes to an end and the other party will not agree to a new interest rate – particularly if the other party will not agree to a switch for reasons connected to the dispute. I can understand why in those circumstances, a lender might agree a new interest rate so that the mortgage remains affordable for the borrower that is paying the mortgage. I accept that contractually Barclays might not be able to change the mortgage in this way. But I am required to consider what is fair and reasonable in all of the circumstances of a complaint.

By allowing the product switch, the payments will be cheaper than they would have been had the mortgage reverted to the standard variable rate. As things stand Mr D is still jointly and severally liable for the mortgage. So it is difficult to say that he has been financially disadvantaged by the switch. And I consider it was reasonable for Barclays to consider that the switch would not harm him financially. So in all the circumstances, I consider it was fair for Barclays to make the switch.

Putting aside that I consider overall it wasn't unfair for Barclays to agree a new rate, Mr D hasn't shown that he has suffered a financial loss because of what happened. There is no evidence to support his position that a financial settlement with his partner wasn't reached because Barclays agreed a new interest rate product. There could be many other reasons why an agreement could not be reached. Ultimately, it is for Mr D and his ex-partner to reach a settlement. That is not something I can get involved in.

Even if such an agreement had been reached and as part of that settlement Mr D's ex-partner agreed to take on the mortgage in her own name, it doesn't follow that would have been possible. Usually that will require one party to use their "best efforts" to arrange a mortgage in their sole name. But the settlement does not oblige the existing lender to switch a joint mortgage to a sole name. Nor does it follow that another lender would agree to such a switch. It would require the lender to assess whether the new mortgage was affordable.

I don't see how I could fairly reach a decision on whether a third party would have qualified for a mortgage or not. Each lender will have its own criteria that will change from time to time and any lending decision would depend on a number of variables. Mr D might have found himself in the same position even if a financial settlement was in place.

I can't see that any failure by Barclays to provide information Mr D requested formed part of this complaint. I can't see that it was what Mr D originally told us his complaint was and t

wasn't addressed by Barclays in its final response So Mr D would need to complain to Barclays about that first.

I consider £150 is fair to reflect the distress and inconvenience caused to MR D by Barclays' failure to write to Mr D about the change.

My final decision

My final decision is that Barclays Bank UK PLC should pay Mr D £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 18 January 2023.

Ken Rose
Ombudsman