

The complaint

This complaint is about outstanding arrears on a repayment mortgage and three Home Improvement Loans Mrs H and Mr C hold with Barclays Bank UK PLC ("Barclays"). Mrs H also says Barclays continue to contact and refer to Mr C even though she's explained she pays for the mortgage and Home Loans by herself. Mrs H is also unhappy with how she's been treated by Barclays.

What happened

In April 2020, during the coronavirus, Covid-19 pandemic ("the pandemic"), Mrs H requested a payment deferral. Barclays granted this from March 2020 to May 2020 and from June 2020 to August 2020. But Mrs H continued having some financial concerns after this, so, she asked if she could make interest-only contributions for a period of six-months in June 2021. This was also granted, and the agreement started in July 2021.

Towards the end of the agreement, Mrs H was asked to repay the outstanding balance that had accrued during the interest-only period. Mrs H says, at the time it was arranged, she was led to believe the outstanding amount would be added to the overall mortgage balance – the same as the pandemic related payment deferrals she'd had previously. Mrs H says she wasn't aware she'd be expected to pay the outstanding amount back immediately, so she feels she's being chased for arrears unfairly.

Mrs H has also complained that she asked Barclays to make her the main correspondent as she is the one making payments and Mr C is now a lodger. Mrs H says Barclays continues to contact Mr C instead of her and addressed letters to Mr C before her for some time after she asked it not to. In addition, Mrs H says she has been treated poorly including being laughed at on the phone in relation to her understanding of the interest being added to the overall mortgage.

Barclays looked into Mrs H's concerns and apologised for how it handled her request to correspond with her only. It offered Mrs H £50 to compensate her because, it said, she should have been told Barclays would continue corresponding with Mr C. Barclays explained that as Mr C remains on the mortgage, it would need to inform him of any changes as he is still responsible for the mortgage. Barclays said, since Mrs H had specifically asked it to stop corresponding with Mr C, it should have explained why it couldn't do this sooner.

Our investigator considered Mrs H's concerns but didn't find that Barclays had done anything wrong. As Mrs H remained unhappy, the complaint was referred to me to consider. I issued a provisional decision on 8 December 2022. Here's an extract of what I said:

"It's expected that consumers are treated fairly under the Mortgage and Home Finance Conduct of Business. And in addition to this, the Financial Conduct Authority ("FCA") gave additional advice to businesses about how to treat customers who struggled to meet their CMPs during the pandemic."

Looking into what happened, Mrs H and Mr C were granted six payment deferrals in line with the recommendations made by the FCA. Following this, Barclays agreed Mrs H could pay the interest only element of her CMPs for a period of six-months. This meant Barclays would continue to charge the normal CMP amount but would accept that Mrs H was only paying the interest. This was agreed for July 2021 through to December 2021 and was separate from the previous pandemic related agreement.

Mrs H says she and Mr C were not advised at any point during the set-up of the agreement that the outstanding amounts would be due at the end. Mrs H says they were both left with the impression the outstanding amounts would be added to the balance of the mortgage and repaid over its term – the same as the pandemic deferral payments. Mrs H says there wouldn't have been any benefit to her taking the interest-only period otherwise and the whole thing has been very stressful. Not least because they've been receiving letters, texts, emails, and phone calls chasing the outstanding debt and Mrs H was concerned she was told her home may be repossessed.

I've listened to the call Mrs H had with Barclays to agree to the six-month interest only period. During the call, Mrs H was made aware the agreement would have an impact on both her and Mr C's credit files. That the difference in the CMPs and the reduced monthly amounts would accrue as arrears and would need to be repaid when the agreement came to an end in six months' time. Barclays also confirmed that this meant the account would incur more interest. Following the call, a letter was sent to Mrs H and Mr C dated 21 June 2021 that confirmed:

"The difference between the agreed reduced payments and your contractual monthly payments will accrue as arrears. Upon expiry of this agreement you will need to contact us to agree to an arrangement for repayment of any arrears that have accrued."

Considering this, I'm satisfied Barclays did inform Mrs H the outstanding sum would be due once the agreement came to an end – both on the phone and by letter. I think the information was presented clearly and I didn't hear or see anything else that could have given Mrs H the wrong impression about that. So, while I know this will be disappointing for Mrs H, I don't intend to uphold this part of her complaint.

Mrs H has raised concerns about the impact on her and Mr C's credit files. Looking into this further, I've found that Barclays didn't report any arrears when Mrs H and Mr C were deferring their payments in line with the FCAs pandemic guidance. But Barclays has a duty to report accurate information to credit reference agencies and Mrs H and Mr C were informed the six-month interest only period would affect their credit files. They also didn't repay the amount they owed when the agreement ended. So, Barclays is obliged to report those arrears and in the circumstances, I can't tell it not to.

I've gone on to think about the concerns Mrs H has raised in relation to her request to make her the main correspondent for the mortgage. Mrs H feels, as she is the one making payments, and Mr C is now a lodger, Barclays should correspond with her primarily. I've thought about this carefully and I agree with Barclays that at times it will have to discuss the account with Mr C given he is still named on the mortgage, particularly when any changes are being made such as when the interest-only period was requested. And Mrs H seems to accept this herself. That said, I don't think Barclays' response fully addresses Mrs H's concerns.

Mrs H has specifically asked for letters to be addressed to her first, then follow with Mr C's name. I've seen several letters that have been sent to Mrs H and Mr C and I've seen instances of both versions. Interestingly, Mrs H was named first on correspondence I've seen dated 2015 and 2017. But more recent correspondence addresses Mr C first then Mrs H. So, it would appear Barclays has the ability to address Mrs H first and then Mr C. It's not clear why the letters changed and perhaps there is a reason for it. But, if Barclays is able to address Mrs H on correspondence first, then I think it should do this going forward.

Mrs H says there have been instances when she's spoken to Barclays about the account, and Barclays has returned the call to Mr C instead of her, despite Mrs H having initiated contact. And looking at Barclays' records, I agree there have likely been instances of Barclays contacting Mr C, when it probably should have contacted Mrs H first.

I've seen call notes that confirm Mrs H was unhappy because she'd requested a call back concerning payment deferrals during the pandemic, but the call was returned to Mr C instead of her. A note was added not long after that said, "PLEASE SPEAK TO MRS ONLY". But it appears this has happened again since, for example, on 25 October 2021, Barclays called Mr C to discuss the account even though Mrs H had called to discuss the same issues earlier the same month and appeared to have been in ongoing discussions with Barclays around that time.

So, while Barclays may, on occasion, need further information or consent from Mr C, I think it's reasonable for Mrs H to have expected Barclays to call her back directly based on her ongoing discussions with Barclays. And I can see why Mrs H would be frustrated by this. That's not to say Barclays can't contact Mr C – it can. And when routine contact is made, for example, when arrears are chased automatically, it's possible Barclays will still contact Mr C if his number remains on the account. I can't ask Barclays to change its system in terms of that. But when there is clearly an ongoing discussion with one party, I think it would be appropriate to go back to that party in some instances, particularly given the warnings already recorded on the account.

I don't think Barclays' response goes far enough to address these issues given Mrs H has raised the problem several times in the calls I've listened to. So, I think Barclays should compensate Mrs H with £150 to recognise the additional stress and inconvenience this has caused her on top of the £50 it has already offered.

Finally, Mrs H complained about how she's been treated by Barclays throughout these issues. Mrs H says she's already accepted settlements for the complaints she made in relation to some of those issues. And she understands we're unable to consider any issues that have already been resolved. But it does appear Mrs H feels there have been further instances of poor service since her previous complaints and we are able to consider any examples of this that didn't form part of her previous complaints.

Our investigator asked Mrs H to provide more information about when she felt she was treated poorly by Barclays, for example, she had mentioned an incident when she says Barclays' representative laughed at her on the phone. But Mrs H hasn't provided any further information, to confirm precisely what or when incidents happened. Nevertheless, we asked Barclays to send us recordings of all phone calls between October 2021 and April 2022.

Having listened to the calls provided, I haven't heard any inappropriate behaviour from Barclays' representatives, and I found the call handlers patient and understanding considering Mrs H was clearly very frustrated at times. Mrs H has acknowledged that she spoke to some very compassionate and understanding people during her complaints and said this to some of the call handlers as well. It's possible the specific call Mrs H mentioned she was unhappy with was unavailable. But from the calls I've listened to, around the time the call would have occurred, I haven't found enough evidence to uphold this part of Mrs H's complaint.

In summary, while I empathize with Mrs H's situation, she still needs to settle the arrears accrued over the interest only period. I appreciate there have been several other problems prior to the interest only agreement ending, but I think Barclays attempted to work with Mrs H to resolve the outstanding arrears, and I'm satisfied Barclays has treated Mrs H and Mr C fairly in terms of that. So, Mrs H should contact Barclays to arrange a suitable repayment plan if she wants to resolve those issues.

I looked into Mrs H's concerns about how she was treated by Barclays' representatives, but I didn't find enough evidence to support what she's said. The call handlers didn't say anything inappropriate or behave inappropriately during the calls I listened to. But, I have seen at least one instance of Barclays contacting Mr C when I think it would have been reasonable for it to have contacted Mrs H instead. And I think Barclays could do more to accommodate Mrs H's request, such as putting her name first, before Mr C's on written correspondence. So, under the circumstances, I think Barclays should compensate Mrs H with £150 for the stress and inconvenience caused. I recommend this award in addition to the £50 Barclays has already offered."

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 still think part of Mrs H and Mr C's complaint should be upheld.

Barclays responded to my provisional decision and said it would pay the £50 it previously offered as well as compensation for £150.00 for the distress and inconvenience caused in relation to the ongoing correspondence issues. But, it said it would be unable to amend the letters it issues to include only Mrs H. It said the mortgage accounts are joint, so any letters issued would be to both.

I've thought about what Barclays has said, but I didn't ask for Mr C not to be included in letters at all. I asked that Mrs H should be addressed first, followed by Mr C when possible. For example, letters should be addressed to Mrs H and Mr C, rather than Mr C and Mrs H. I explained that on some correspondence I have seen that this has been done previously, so I'm satisfied Barclays should be able to make that adjustment going forward.

Mrs H and Mr C haven't responded to the decision, so I haven't found any reason to change my findings as set out above in my provisional decision.

Putting things right

Barclays Bank UK PLC should put things right by:

- Paying the £50 it offered in its final response letter.
- Paying £150 for the distress and inconvenience Mrs H and Mr C have experienced in relation to ongoing correspondence issues.
- Amend letters so Mrs H is named first, before Mr C, if possible.

My final decision

My final decision is that I uphold this complaint. Barclays Bank UK PLC should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr C to accept or reject my decision before 3 February 2023.

Hanna Johnson
Ombudsman