

The complaint

Mr L complains that Barclays Bank UK PLC has wrongly increased the balance due on his mortgage after he ported it in April 2022.

What happened

Mr L had a mortgage with Barclays. He was selling his property and buying another one in April 2022 and porting over his mortgage product. Mr L now finds that his mortgage balance increased although there was no additional borrowing. Barclays says that it sent Mr L's solicitors a redemption statement on his old mortgage which included the Early Redemption Charge ("ERC"). An ERC wasn't payable but the solicitors used all the mortgage monies they received including the amount for the ERC as part of the completion monies on the new purchase. Barclays accepted that it should have waived the ERC automatically and offered £75 by way of compensation together with £3.71 to cover any interest charges incurred up to July 2022.

Our investigator recommended that this complaint should be upheld as the cause of this confusion was Barclays provision of incorrect funds to the solicitors. Our investigator recommended compensation of £200. Barclays accepted this outcome but Mr L asked for a review.

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.

The conclusion I reached is similar to that of our investigator. Barclays accepts it made an error by adding the ERC to the redemption statement and provided the funds on that basis. This caused confusion to Mr L and he has spent some time trying to resolve it. I asked our investigator to speak to Mr L and hopefully he has been able to explain it to him. But although Barclays made an error, it caused Mr L no financial loss. It meant that in completing the purchase Mr L's solicitors used less of Mr L's savings and instead used the extra money that Barclays had paid in error. It leaves Mr L with a higher mortgage balance but he can reduce this by using the money from his savings that he didn't have use to purchase the house to pay it off. So, although I accept that the matter can be confusing I also accept that Mr L suffered no financial detriment. So, I believe that the amount suggested by our investigator of compensation in total of £200 is fair and I uphold this complaint on that basis.

Putting things right

Barclays Bank UK Plc should pay Mr L £200.

My final decision

My decision is that I uphold this complaint and require Barclays Bank UK Plc to pay Mr L £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 20 March 2023.

Gerard McManus
Ombudsman