

## **The complaint**

Mr M and Mrs M complain about delays by Barclays Bank UK PLC in applying a new product rate to their buy to let mortgage. They ask for compensation. Mr M has dealt with the complaint.

## **What happened**

Mr and Mrs M's interest rate product was due to expire on 3 September 2022. In early September 2022 Mr M applied for a new interest rate product. He expected the new interest rate would be applied to the mortgage by the end of September 2022. The rate wasn't applied until December 2022. In the meantime, Barclays' standard variable rate applied.

Mr M says they had to take out a loan to meet the higher payments, as they had no family or friends they could borrow from. This meant they incurred interest costs. Mr M says he spent hours on calls to Barclays to try and sort the matter out. He says Barclays didn't apologise or send confirmation that the rate had been applied.

In response to Mr and Mrs M's complaint, Barclays said it had applied the interest rate, backdated to 3 September 2022, and refunded the overpaid interest of about £4,000. It offered £300 compensation.

Our investigator said Barclays had done enough to put matters right.

Mr M said £300 isn't fair compensation. He referred to Barclays' lack of communication and asked that an ombudsman re-consider the complaint.

## **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.

Mr M applied for a new product on 2 September 2022. He expected this to be in place by the end of the month. Barclays says at that time it was taking 20 working days to review and apply new products. So Mr M's expectation that the rate would be applied at the end of September 2022 was about right.

However, Barclays didn't apply the rate until early December 2022. It then backdated the rate to 3 September 2022 and refunded the overpaid interest.

Mr M says Barclays didn't apologise or send confirmation the rate had been applied. There were delays with the product rate being applied to Mr and Mrs M's account. But once Barclays had applied the product rate it wrote to Mr and Mrs M to confirm what it had done. It confirmed this in its final response letter on 14 December 2022. It sent a letter confirming the product, the interest rate, the refund and the new monthly payment at the end of December 2022. Barclays' complaint handler offered sincere apologies in the final response letter.

Mr M said they had to take out a loan to meet the higher mortgage payments, and incurred interest costs. Our investigator asked for a copy of the loan agreement. Mr M said he'd

borrowed from family and friends. Mr M didn't provide evidence of interest or other costs incurred by having to borrow money to meet the mortgage payments. As Mr and Mrs M didn't provide evidence of financial loss, I can't fairly require Barclays to pay for this.

Mr M says his credit file would have been harmed if he hadn't maintained payments and this was a serious matter that would affect his cost of borrowing in future. Mr and Mrs M did maintain payments, and they haven't provided evidence of any harm to their credit files. I can't fairly require Barclays to pay compensation for something that didn't happen.

No doubt though the delays were worrying for Mr and Mrs M. Their monthly payment increased from about £1,000 to about £2,500. Having to chase Barclays would have been inconvenient, especially as Mr M says there were long wait times on calls. Barclays sent a final response in October 2022, but the matter wasn't resolved and Mr M had to contact Barclays again.

I think it's right that Barclays offered compensation. Taking all of the circumstances into account, including the time taken by Barclays to put matters right, I think £300 compensation (in total) is fair and reasonable. Barclays says it's already paid £200 to Mr and Mrs M.

### **My final decision**

I think the steps taken and compensation offered by Barclays Bank UK PLC is fair and reasonable in the circumstances. Barclays Bank UK PLC should pay £100 to Mr and Mrs M (if it hasn't already done so).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 7 September 2023.

Ruth Stevenson  
**Ombudsman**