

## **The complaint**

Mr and Mrs P complain about errors and poor service by Barclays Bank UK PLC in relation to a buy to let mortgage. Mrs P has dealt with the complaint. She asks for compensation.

## **What happened**

Mr and Mrs P had a joint buy to let mortgage with Barclays. Mrs P contacted Barclays as they wanted to transfer the property title into Mrs P's sole name and then into joint names with their son. Mrs P says Barclays told her she'd have to redeem the mortgage and take out a new mortgage after making changes to the property title.

Mrs P asked Barclays for a redemption figure which she paid in September 2021 using savings. She says she intended to take out a new mortgage immediately.

Barclays made a number of errors. The charge wasn't removed from the property title until July 2022. Mrs P says she made numerous calls trying to sort matters out.

Barclays offered a hamper (which Mrs P declined) and paid £250 compensation.

I sent a provisional decision to the parties explaining why I intended to uphold the complaint and order Barclays to pay an additional £500. I also explained why I didn't think it was fair and reasonable to require Barclays to pay compensation for the financial loss Mrs P said they'd suffered, such as additional interest due to interest rates increasing before they were able to re-mortgage, legal costs, and interest or compensation for not having use of the redemption monies.

Mrs P didn't agree. She provided more information about what happened. She re-sent a message from her solicitor saying the additional legal costs due to Barclays' delays were about £460. But she didn't send copies of her solicitor's invoices or other evidence I'd previously requested to demonstrate what work the solicitor carried out and when the solicitor was instructed.

## **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 should explain that where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mr and Mrs P wanted to transfer the title of their buy to let property into Mrs P's sole name. They intended to then make a further transfer of the title into joint names of Mrs P and their son. As they had a buy to let mortgage secured on the property, Mrs P contacted Barclays to see how they could go about this.

Mrs P says Barclays gave her the impression that her only option was to repay the mortgage, make the changes to the property title and then make a mortgage application

jointly with her son.

In September 2021 Mrs P asked Barclays for a redemption figure. She made the payment the same day, using savings.

Mrs P says she intended to apply for the new mortgage straight away. But when she tried to book an appointment Barclays said the lead time was weeks.

Mrs P contacted Barclays again in February 2022. Her solicitors had told her they were unable to make changes to the property title as Barclays' charge hadn't been removed.

Barclays says the funds Mrs P paid in September were applied to the account two days later, but the mortgage wasn't fully repaid. It says the settlement figure it gave to Mrs P didn't include the interest that was applied that day. There was an unpaid balance of about £150.

Barclays told Mrs P that as the mortgage hadn't been redeemed, she could apply for a transfer of equity (to put the mortgage into her sole name), and once this was completed, ask for her son to be added to the account and apply for additional borrowing. Barclays says this information was incorrect. The mortgage account was at that time pending redemption, and it needed to be paid off.

Mrs P says her solicitor sent a written request, as specified by Barclays, for the transfer of equity but didn't hear back from Barclays. Barclays notes say it doesn't have a record of the solicitor's letter.

Mrs P paid the £150 shortfall in late May 2022. There was an error which delayed the payment being applied to the account until early June 2022. The charge was released on 14 July 2022. The property title was registered in Mrs P's sole name in early September 2022.

Mrs P says by July 2022 they'd started the process to re-mortgage another buy to let property. They decided to proceed with this as they'd paid fees and for a valuation, and she couldn't wait for an appointment with Barclays to start an application for a new mortgage. Mrs P received a mortgage offer from another lender for the other property in September 2022. She said she hoped this would complete in February 2023.

#### *What was the effect of Barclays errors?*

There's no dispute that Barclays made errors. Barclays made an error with the settlement figure. It accepts that it didn't contact Mrs P about the shortfall. It made another error in February 2022 when it told Mrs P she could apply to put the mortgage into her sole name. And it caused a short delay in applying the payment Mrs P made in May 2022 to the mortgage account.

It's also not in dispute that Mrs P couldn't register the changes to the property title with the Land Registry or re-mortgage the property until Barclays removed its charge. I need to consider what effect Barclays' errors had on Mr and Mrs P, whether it caused them financial loss and what compensation is fair and reasonable.

Mrs P says she wanted to take out a new mortgage straight away, but didn't book an appointment with Barclays in late 2021 because the lead time was weeks. We asked Mrs P why she didn't book an appointment with Barclays despite this, given she'd have expected the changes to the property title to take a few weeks anyway. Mrs P said she had to wait for the title to be changed before applying for a mortgage with Barclays or elsewhere. Mrs P said there was also a long wait for appointments in mid-2022, which is why she decided to

re-mortgage another property via a broker.

While there's no reason to doubt that Mrs P intended to re-mortgage the property, I'm not persuaded by the evidence that this was an urgent matter for her in late 2021.

Mrs P said she wasn't aware there was a problem until February 2022. Barclays accepts it didn't chase Mrs P for the shortfall. Equally, if the matter was urgent, I'd have expected Mrs P to chase Barclays about removing its charge. If she instructed a solicitor to make changes to the title in September 2021, I'd have thought her solicitor would see that the charge hadn't been removed and alert Mrs P to this sooner. Mrs P didn't provide her solicitor's invoices, so I can't see when she first instructed her solicitor to do this work.

Barclays gave Mrs P incorrect information in February 2022, which she says she acted on. Barclays says it doesn't have a record of the letter from Mrs P's solicitor. If Mrs P and her solicitor didn't hear back from Barclays and the matter was urgent, I'd expect her to contact Barclays again, before May 2022. Mrs P says Barclays told her to wait until her son could provide payslips from his new job, at the end of March 2022.

Barclays provided notes for Mr and Mrs P's mortgage account. There's no record of contact from Mrs P's solicitor. I asked in my provisional decision if Mrs P could provide evidence of the letter sent by her solicitor and their contact with Barclays. She didn't provide this.

Mrs P said she used savings to repay the mortgage in September 2021, but needed these funds and so she needed to re-mortgage immediately. Mrs P previously said she intended to use the funds for a development opportunity that she'd already committed to. She didn't provide evidence of the development opportunity. In response to my provisional decision Mrs P said she needed the money for a deposit on a property they intended to buy and live in. She said her offer for this property was accepted in May 2021 and she was worried they'd exchange at any moment meaning she'd need the money for the deposit.

Mrs P says during the delay in re-mortgaging (in the end she re-mortgaged another property) interest rates had gone up.

I agree that this could have caused Mrs P financial loss. But I'd need more evidence that's the case before I can fairly require Barclays to pay compensation for this loss.

First, I'm not persuaded from the available evidence that re-mortgaging was an urgent matter for Mrs P. If this was the case, I'd expect Mrs P to be able to provide evidence of the steps taken to change the property title and start the re-mortgage process. For instance, I'd expect her to provide evidence she instructed solicitors to change the property title at about the time she made the repayment. Mrs P didn't provide this.

In simple terms, I haven't seen evidence that Mrs P was doing all she could to move the matter forwards and the only thing that stopped her re-mortgaging was Barclays' errors. In fact, Mrs P hasn't provided evidence she took any steps between September 2021 and early 2022 to start the process to change the property title.

Second, while the evidence is somewhat unclear, there's some suggestion that Mrs P didn't pass Barclays' affordability checks for the mortgage to be transferred into her sole name in September 2021. While Mrs P was offered a mortgage in September 2022, that was a year later and for a different property. I said in my provisional decision that Mrs P had reduced her financial commitments when she repaid the Barclays mortgage and was moving house which might also have changed her outgoings. Mrs P says this wasn't the case as they didn't exchange on their home until later in 2022.

The point remains though, that it's not clear from the available evidence that, even if Barclays had removed its charge, Mrs P would have been offered a new mortgage in late 2021 or early 2022. If her intention was for the property title to be in joint names with her son, the two title transfers would have had to be completed and then (presumably) Mrs P would have made a joint mortgage application with her son. From what Mrs P says, her son started a new job in early 2022 and she was told to wait until the end of March 2022 so he could provide his new payslip. All this might have delayed the re-mortgage.

Ultimately Mrs P decided to re-mortgage another buy to let property to raise the money she needed. While this might not have been her preference, she could have done this sooner if there was an urgent need for funds, or she wanted to secure a mortgage before interest rates increased. Mrs P says she didn't do this because she believed Barclays would sort the problems out.

Mrs P also asked that Barclays compensates her for additional legal fees. Again, I agree that this could be a financial loss for Mrs P due to Barclays' errors. But, as I said in my provisional decision, I need to see evidence, such as the solicitor's invoices or written confirmation from the solicitor with details of the additional work, the costs of the additional work and when this work was undertaken. While Mrs P re-sent a copy of a message from her solicitor about the additional costs due to Barclays' delays, this doesn't provide this information.

Mrs P paid about £115,000 to Barclays in September 2021 with the intention of redeeming her mortgage. She asks that Barclays pays interest on this money which she says it held onto for 10 months. I don't think that's reasonable. Mrs P repaid the mortgage debt she owed to Barclays. If Mrs P hadn't made the payment, she'd have paid interest to Barclays during this period.

I don't think Mrs P has provided sufficient evidence she suffered financial loss due to Barclays errors to make it fair and reasonable to require Barclays to pay her compensation for financial loss. But there's no doubt this matter caused Mrs P inconvenience and stress, and this is something Barclays should pay compensation for. I think £500, in addition to the £250 compensation Barclays has already paid, is fair and reasonable.

In its final response letter, Barclays said it paid £250 into Mrs P's account. Mrs P says she hasn't seen evidence of this. If Mrs P checks her account and can't see the payment, I'd suggest she contacts Barclays..

### **My final decision**

My decision is that I uphold this complaint. I order Barclays Bank UK PLC to pay £500 to Mr and Mrs P (in addition to the £250 compensation it's already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P and Mr P to accept or reject my decision before 28 April 2023.

Ruth Stevenson  
**Ombudsman**