

## **The complaint**

Ms K has complained about delays and poor customer service by Barclays Bank UK PLC in relation to a transfer of equity. Ms K is also dissatisfied at the way Barclays has dealt with her complaint.

## **What happened**

I will summarise the complaint in less detail than it's been presented. There are several reasons for this. First of all, the history of the matter is set out in detail in correspondence, and in the investigator's letter dated 26 January 2023. All parties have a copy of that letter, so there is no need for me to repeat the details here.

Barclays has accepted there were errors, so I don't need to analyse the events in detail in order to decide whether or not the bank is at fault, only what needs to be done to put things right. In addition, our decisions are published, so it's important I don't include any information that might lead to Ms K being identified. Therefore, instead of repeating all the details of what happened, I will give a very brief summary, and concentrate on giving the reasons for my decision.

Ms K and her former husband had a joint mortgage with Barclays on a shared ownership property in their joint names. On 30 June 2021 in their divorce settlement it was ordered by consent (amongst other things) that the property would be transferred to Ms K. She gave an undertaking to use her best endeavours to secure the release of her former husband from the mortgage and to indemnify him from all liability under the mortgage. The order became effective from the date of Decree Absolute. I have not been told when Decree Absolute was pronounced.

Ms K applied to remove her former husband from the mortgage. This was outside Barclays' standard lending criteria, and so the application took much longer than Ms K had anticipated. The mortgage offer was issued on 17 November 2021 but was sent to the wrong solicitors (who did not tell Barclays). The offer was sent to Ms K's solicitors on 10 January 2022. Barclays accepted it had made an error here.

However, Ms K wants additional compensation because she said that her ex-husband took further legal action against her, which Ms K says was as a result of the delays by Barclays. Ms K was ordered to indemnify her husband for mortgage and rental payments (as per the court order) and to pay his legal costs.

Barclays issued several final response letters. The bank explained that the application had to be considered as an exception, due to Ms K not meeting lending criteria. As a result, additional documentation had to be requested. The bank accepted there had been a mistake in sending the mortgage offer to the wrong solicitors and paid Ms K £600 compensation for this. Barclays declined to alter the wording of its final response to include wording Ms K wanted to show to the court.

Ms K raised her complaint with our service. An investigator looked at what had happened and thought that the £600 compensation wasn't sufficient. He asked Barclays to pay an additional £300, which the bank agreed to do. Ms K didn't accept this, however, and reiterated her previous points about why she thought Barclays was responsible for the additional costs she had to pay.

### **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.

This complaint has arisen out of unhappy circumstances, and I have no doubt this has been a very stressful time for Ms K. However, I am required to decide the case on the basis of the evidence, and not be swayed by emotion.

Barclays wasn't a party to the order made in the matrimonial proceedings and so, although that order provided a timescale of 56 days for the transfer of equity to take place, Barclays wasn't bound by this. It doesn't appear from Barclays' records that, prior to the order being made, Ms K had checked with Barclays to see if the bank would agree to the mortgage being transferred into her sole name.

Barclays was entitled to decline the application initially; Ms K didn't meet the bank's eligibility criteria. However, after an appeal on 18 August 2021 the matter was referred to senior underwriters. Where an application is reconsidered as an exception, it generally takes longer than a standard application. In this case, it took about 12 weeks until the mortgage offer was issued, which I don't consider to be unreasonable, in all the circumstances.

Unfortunately the offer was sent to the bank's panel solicitors in error. On 7 December 2021 Barclays told Ms K that it would send the offer to her current solicitors. However, I can't see this was chased up by Ms K's solicitors – which I would have expected them to do, given the apparent urgency of the situation. I think if Ms K's solicitors had contacted the bank after 7 December 2021 to say they'd not received the offer, the bank would have sent it to them and the mortgage could have been completed shortly thereafter. So whilst there was an error by Barclays, I'm not persuaded that the bank is entirely at fault for the delay in the mortgage offer being sent to Ms K's solicitors.

Ms K asked Barclays to provide a letter for her to take to court to explain why the application had taken so long. However, Ms K wasn't happy with the wording of this and wanted it to be "*tweaked*". Barclays wasn't prepared to do this, however, because what Ms K wanted the bank to say wasn't an accurate reflection of what had actually happened.

I'm satisfied that Barclays did nothing wrong here; the bank was being asked to provide information for Ms K to use in legal proceedings, and so it was right for Barclays to ensure that what the bank told the court was accurate. The change Ms K wanted the bank to make would, in my opinion, have misled the court about the reasons the application had initially been declined.

Ms K was ordered by the court to indemnify her former husband for rent and mortgage payments on the shared ownership property after the 56-day window. If the transfer had gone ahead sooner, Ms K would have been liable for those payments in full in any event. So overall her financial position would not have been any different. And as I said above, I'm not persuaded Barclays can be held entirely responsible for the delay in the solicitors not

receiving the mortgage offer in December 2021. It follows, therefore, that I'm not persuaded that the legal costs Ms K incurred can be attributed to the error made by Barclays.

I only have the legal power to consider complaints about regulated activities, or activities that are ancillary to a regulated activity – and complaint-handling doesn't fall into that category. This means that whilst I've noted Ms K's dissatisfaction with the way Barclays dealt with her complaint, I can't comment on this.

### **Putting things right**

I'm satisfied that Barclays made some errors, and I am glad to note that the bank has acknowledged that it was at fault in relation to errors made during the mortgage application. I agree with the investigator that the £600 paid by Barclays doesn't go far enough to compensate Ms K for the distress and inconvenience she was caused. However, as I said above, I'm not persuaded Barclays can be held responsible for the legal costs Ms K incurred.

In the circumstances, in addition to the £600 already paid by Barclays, the bank should also pay an additional £300, bringing the total compensation to £900.

### **My final decision**

In full and final settlement of this complaint, Barclays Bank UK PLC must pay Ms K a total of £900 compensation for distress and inconvenience, to include the £600 already paid. I make no other order or award.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any correspondence about the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 13 June 2023.

Jan O'Leary  
**Ombudsman**