

The complaint

Ms W and Mr W have complained about information recorded on their credit files by Barclays Bank UK Plc in relation to mortgage repayments. To settle the complaint, they would like Barclays to correct their credit files and pay compensation.

Mr W has dealt with the complaint on behalf of both parties.

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, so there is no need for me to repeat the details here. I will instead concentrate on giving the reasons for my decision. In addition, our decisions are published, so it's important I don't include any information that might lead to Ms W and Mr W being identified. So for these reasons, I will keep my summary of what happened quite brief.

Ms W and Mr W had a mortgage with Barclays (which they have since redeemed). In 2020 they entered into a payment holiday, which Barclays incorrectly reported on their credit files as missed payments. Barclays has now acknowledged that, due to the pandemic, the missed payments should have been recorded differently.

After the complaint was raised with our service, Barclays agreed to amend Ms W and Mr W's credit files. This would show the following:

April 2020 – OK (COVID HOLIDAY PERIOD)
May 2020 – OK (COVID HOLIDAY PERIOD)
June 2020 – OK (COVID HOLIDAY PERIOD)
July 2020 – OK (COVID HOLIDAY PERIOD)
August 2020 – OK (COVID HOLIDAY PERIOD)
September 2020 – OK (COVID HOLIDAY PERIOD)
October 2020 – AR – FOR ARRANGEMENT
November 2020 – AR – FOR ARRANGEMENT
December 2020 – AR – FOR ARRANGEMENT
January 2021 – AR – FOR ARRANGEMENT
February 2021 – AR – FOR ARRANGEMENT
March 2021 – AR – FOR ARRANGEMENT
April 2021 – ARREARS WITH NO ARRANGEMENT
May 2021 – AR – FOR ARRANGEMENT
June 2021 – AR – FOR ARRANGEMENT
July 2021 – AR – FOR ARRANGEMENT
August 2021 – AR – FOR ARRANGEMENT
September 2021 – AR – FOR ARRANGEMENT
October 2021 – AR – FOR ARRANGEMENT
November 2021 – AR – FOR ARRANGEMENT
December 2021 – AR – FOR ARRANGEMENT
January 2022 – AR – FOR ARRANGEMENT
February 2022 – AR – FOR ARRANGEMENT

March 2022 – AR – FOR ARRANGEMENT
April 2022 – AR – FOR ARRANGEMENT
May 2022 – AR – FOR ARRANGEMENT
June 2022 - AR – FOR ARRANGEMENT
July 2022 - AR – FOR ARRANGEMENT

Barclays also said it would pay compensation of £200. The investigator thought this was a fair resolution to the complaint, as it was an accurate representation of the account conduct, and the compensation was fair and reasonable.

Ms W and Mr W weren't happy with this. Mr W said that the compensation offered hadn't taken into account the significant impact on his mental health. Mr W also said that, after he and Ms W decided to re-mortgage to a new lender, Barclays caused delays with that application. Mr W said that he and Ms W had to make payments to Barclays for three months whilst the application was delayed. This cost them £8,200, and they want this reimbursed.

The investigator looked at this and obtained information from the new lender about why the application to it had taken so long. She was satisfied that this was because that lender had wanted further information, and that this wasn't anything to do with Barclays.

Mr W asked for an ombudsman to review the investigator's findings.

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.

Because Barclays has accepted it made a mistake, I don't need to analyse what happened in order to determine whether or not the bank is at fault; all I need to do is to decide what Barclays needs to do to put things right.

I'm satisfied that the amendment to Ms W and Mr W's credit files proposed by Barclays will now give an accurate reflection of what happened on their mortgage account. The payment holiday during the pandemic should not have been reported as missed payments. There was also a month where no arrangement to pay was in place, but after that an arrangement was put in place. I'm satisfied that the bank's offer to put things right reflects the true position on the account. I therefore don't require Barclays make any further adjustment in the way it has agreed to amend the information recorded with the credit reference agencies.

In late May 2022 Ms W and Mr W applied through their independent financial adviser for a new mortgage from another lender. On 7 September 2022 a mortgage offer was issued for £324,695.

Mr W says that delay by Barclays and inaccurate information on his and Ms W's credit files meant that the application took far longer than it needed to, as a result of which they ended up paying more to Barclays between June-September 2022 inclusive. Mr W says this has cost him them additional £8,200. So I've looked at whether there was delay in the application that can be attributed to Barclays.

I can see that the new lender confirmed on 30 May 2022 that it required evidence to show the account was up-to-date with no missed payments in the previous 12 months.

I also note that Ms W and Mr W's credit cards were also in payment arrangements, and the lender required an explanation for this too. The broker told the new lender that Ms W and Mr W were borrowing more than the amount needed to redeem the Barclays mortgage in order to cover debt consolidation.

On 3 August 2022 the lender asked for evidence:

"...that the new contractual payments have been made over the last 12 months. We need evidence of what the new agreed payments were with Barclays so ideally we need a copy of an email/letter from Barclays at the time confirming what the new payments agreed were. We also need a 12 month payment profile for the mortgage showing all new agreed payments made for the last 12 months (we do have one on file but this is only covers up to September 2021). If we can get this we should be able to proceed on the basis that the new agreed payments were made over the last 12 months..."

On 5 August 2022 the new lender said to the broker that:

"... we require evidence of May, June & July 2022 mortgage payments being made at £2651.81. On the basis that these months have been made in full we would be happy to proceed..."

On 9 August 2022 the new lender was still chasing this information, and required missing bank statements to show payments made to Barclays.

On 10 August 2022 the new lender confirmed there were still outstanding matters, including missing payslips, an unpaid valuation fee, a new credit search to replace one that had expired, and that the product Ms W and Mr W had requested had expired, so a new product would need to be selected.

By 19 August 2022 the purpose of the additional amount Ms W and Mr W were borrowing above the amount of the Barclays mortgage had changed – and for the first time the lender was told this was for home improvements. The broker was asked to provide further information about this. There was also further information required about adult children possibly occupying the property, and about planning permission for an extension. The broker was able to provide answers to these requests by 25 August 2022.

However – and relevant to this complaint – the lender was also satisfied by 25 August 2022 that there was evidence on file for the 12-month period up to April 2022 that payments had been made to Barclays in line with the payment arrangement, and that the bank statements it required for May, June and July 2022 had also been received.

I'm satisfied, therefore, that looking at the history of the application that it wasn't delayed as a result of any error made by Barclays; rather the delay was caused by other outstanding information the lender needed about other issues, which wasn't provided until the end of August 2022.

I'm therefore not persuaded there's any basis for Barclays to cover the difference between the mortgage repayments made to Barclays and what Ms W and Mr W would have made to their new lender between June-September 2022 inclusive. That's because I'm satisfied that, for reasons unconnected with Barclays, it's unlikely the mortgage would have completed by June 2022 in any event.

Putting things right

Barclays has already agreed to correct Ms W and Mr W's credit files. The bank has also agreed to pay compensation of £200 for distress and inconvenience, which I think is fair and reasonable in all the circumstances. I've taken note of what Mr W has said about the effect on his health. However, we don't award damages in the way a court would, and so, whilst I acknowledge the stress he has been under, I'm not persuaded the compensation should be increased.

My final decision

My final decision is that I partly uphold this complaint and direct Barclays Bank Plc to pay compensation of £200 and to amend Ms W and Mr W's credit files as detailed above. 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 W and Mr W to accept or reject my decision before 14 June 2023.

Jan O'Leary
Ombudsman