

The complaint

Ms H has a mortgage with Barclays Bank UK PLC ("Barclays"). She complains about the way it has been managed.

What happened

In 2011 Mrs H took out a mortgage with another lender. The mortgage was in two parts. Barclays took responsibility for the mortgage in 2014.

Ms H makes a number of complaints about the way Barclays has managed her mortgage since November 2019. She says:

- in November 2019 she tried to get an appointment to discuss getting a more affordable interest rate, but it didn't get back to her. She says she was only able to get an appointment on 30 November 2020 and Barclays didn't action her request until December 2020. She says this cost her thousands of pounds.
- she got two three-month covid-19 payment deferrals in 2020, and then a further six-month contractual payment holiday. She says Barclays mishandled her applications for these payment holidays, so her credit file was adversely affected.
- after her payment deferrals ended she wanted Barclays to continue to allow her to not make her mortgage repayments until she sold her property. She didn't want adverse information about the non-payments to be recorded on her credit file either. Barclays declined saying it was obliged to report true and accurate information to the credit reference agencies.
- she has been seriously unwell for a number of years. She says this was initially caused by a dispute with the freeholder of the mortgaged property but has been exacerbated by Barclays' actions. She says she asked Barclays to write to the freeholder to try to get them to carry out the necessary repairs to her property, but Barclays refused.
- she told Barclays that the mortgaged property was deemed unfit for human habitation in mid-2021, so it was unsellable. Despite this it kept asking her when she was going to sell the property.
- she told Barclays she was unable to work because she was so unwell. But it didn't support her as it should or take her vulnerabilities into consideration.

Our investigator reviewed what happened. She accepted that Barclays made a number of mistakes in the way it had handled Ms H's payment deferrals. However, she said the £300 it had offered to compensate her was a fair and reasonable amount. In her opinion she didn't think Barclays was wrong to say it wouldn't write to the freeholder of Ms H's property, and she couldn't see that Ms H had asked for a lower interest rate on her mortgage before November 2020.

Ms H didn't agree with our investigator. Amongst other things she said our investigator didn't consider what she'd said about Barclays' handling of her vulnerabilities. Ms H also said she had a phone call with Barclays on 9 June 2020. She made notes on that call – the agent told Ms H a mortgage colleague would call her back to discuss the interest rate on the mortgage. But she didn't receive a call back.

Ms H told our investigator that she wanted to provide us with more evidence to support what she'd told us. But she didn't provide it.

As Ms H didn't agree with the outcome our investigator recommended, this complaint has been passed on to me to decide.

My provisional decision

In my provisional decision I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

What is not in dispute is the distress or impact of what has happened on Ms H's health. Having reviewed the available evidence from both parties I've come to a different view to our investigator. I'll explain why.

Interest rate switch

Barclays' notes of its contact with Ms H show that she first contacted it to ask for a new interest rate on her mortgage in November 2020. At this time says she wanted to know if there were better rates available and an appointment was booked for 30 November 2020.

In late December 2020 Barclays offered to switch the interest rate on her mortgage. The new interest rate product had a £999 product fee.

Ms H is adamant that she asked Barclays to help her sooner. She says she took extensive notes of her dealings with Barclays, and that she had a phone call with Barclays on 9 June 2020 that proves she raised this issue then. As Barclays doesn't have a record of that call I can't be sure exactly what happened. Nor has Ms H provided me with a copy of the notes she took. However, I've considered Ms H's very detailed July 2020 complaint document. In that document she refers to the 9 June conversation. She says the person she spoke to said: "She would get her mortgage colleague to call me the following week to look at what mortgage help could be offered, such as getting me onto a better rate". Ms H goes on to say that the relevant person didn't phone her. I've also seen a November 2020 email from Ms H to Barclays that refers to that phone call.

Given the details of what Ms H had said and provided, I'm persuaded, on the balance of probabilities, that Ms H did have the phone conversation she says she did on 9 June 2020. I'm not persuaded that Ms H raised the matter with Barclays before that.

I think it would have been helpful if Ms H had contacted Barclays about this matter again in June 2020 when she wasn't phoned back about it. However, I can also see that she has complained in detail about the trouble she had getting Barclays to help her in mid-2020. In her emails to our investigator she refers to the "countless conversations and emails with a countless number of Barclays employees" she had around this time and the fact that despite that she felt her formal complaint which was totally disregarded. So I think it's likely that she tried to raise the matter again with Barclays around June 2020.

In the circumstances, I think it's fair and reasonable to say that Barclays should have done more to address the matter around June 2020.

Barclays agreed to reduce the interest rate Ms H was paying on her mortgage in December 2020. That was despite the fact that she'd been on several mortgage holidays since early 2020 and was on benefits because she had long term health conditions that stopped her working. So I think it's likely that Barclays would have agreed to give Mrs H a new interest rate product in June 2020 (when her position was arguably better than it was in December 2020) if she'd been able to have a substantive conversation with Barclays about her interest rate then.

It took Barclays around a month to agree to the interest rate product after her appointment on 30 November 2020. So I think it's likely that it would have taken around a month to agree to the product switch if it had considered it in June 2020. It follows that I think Barclays should rework Ms H's mortgage as if the interest rate product it offered her in December 2020 had applied from July 2020, taking into account any fees she would've incurred getting that product. Ms H had said that she doesn't think she should have been charged the £999 product fee given the trouble she had getting Barclays to reduce the interest rate she was paying. But I think she would always have had to pay a product fee for a new interest rate product, so I think it's fair and reasonable for the fee to be applied to her account.

Payment deferrals

Ms H is very frustrated about the way Barclays handled her requests for payment deferrals in 2020. She says she spent hours online and on the phone dealing with Barclays' mistakes about this. She has provided evidence to support what she has said. Ms H is particularly unhappy that the covid-19 payment deferrals were recorded as arrears on her credit file and that she was sent arrears letters and texts by Barclays.

I've no doubt from what Ms H has told us, and Barclays notes of her contact with it around that time, that Ms H was very annoyed and distressed by what happened. Barclays has accepted it made mistakes dealing with her payment deferrals, so it offered her £300 compensation.

Ms H doesn't think that's nearly enough. She has told us that the matter had a big impact on her already fragile health at the time.

I appreciate what Ms H has told us about the impact of this matter on her. There's no dispute that Barclays should've handled her payment deferrals better. However, my role isn't to punish Barclays for its mistakes. I'm conscious that Ms H was already very stressed and anxious in 2020 and 2021 by issues outside of its control e.g. the condition of Ms H's property and the ongoing dispute she was having with the freeholder of the property. I also think it's fair and reasonable for me to bear in mind the unprecedented situation Barclays found itself in during 2020. The covid-19 pandemic meant that there was very high demand for support from Barclays' customers. That put added pressure on Barclays at a time when its branches were shut and its staff had to work from home. At the same time it had to implement new and changing guidance from its regulator, the Financial Conduct Authority ("FCA") to give its customers payment deferrals to help them through the pandemic.

In the circumstances, I can see why Ms H was sent automated letters and texts saying she was in arrears.

However, I think Barclays should have done more to help Ms H sooner. In particular I think it should have acted to try to manually amend its systems to stop the arrears letters being sent after Ms H told Barclays about the impact of them on her.

Barclays' actions after the payment deferrals had ended

In September 2020, the FCA announced that firms' covid-19 support arrangements would change from the end of October 2020. From then on it said that firms should continue to support customers in difficulty – but the way it did that was down to firms' discretion and customers' circumstances. The FCA made it clear that firms could report arrears to the credit reference agencies if customers had already benefited from six months of covid-19 payment deferrals.

By 2021 Ms H had benefited from six months of covid-19 payment deferrals and an additional six-month payment deferral. Ms H thinks that Barclays should have continued to give her further payment holidays at this time and ensure that adverse information about the non-payments weren't recorded on her credit file. Barclays declined saying it was obliged to report true and accurate information to the credit reference agencies.

I don't underestimate Ms H's strength of feeling about what happened around this time. But I think Barclays was entitled to say that it wouldn't continue to give her payment deferrals. The terms of her mortgage say that she can take six months payment holidays overall, and no more than three months in any one year. So by allowing her six months' payment holiday, on top of the covid-19 payment deferrals, Barclays had already done more to help than the terms said it should have done. And I think it was fair that it didn't offer any further payment holidays. I say that because Ms H's financial position was deteriorating at this point as the amount unpaid on her mortgage account was building up. Ms H wasn't working and wasn't likely to be working in the future. So I understand why Barclays was keen for Ms H to sell the mortgaged property. And in the meantime, under the terms and conditions she was required to make payments. I think it's fair that Barclays reported missed payments to her credit file, as that accurately reflects what was happening with her mortgage.

Ms H has said that in mid 2021 her property was deemed unfit for human habitation. So it was unsellable in the condition it was in. That's why she wanted Barclays to write to the freeholder of her property to ask it to carry out necessary maintenance works. I appreciate Ms H's position on this, but I don't think Barclays was required to write to the freeholder of her property. Nor do I think doing so would be likely to have had much impact on the freeholder. I say that because Ms H's dispute with her freeholder had been going on for a number of years by that point, and the dispute had already gone to court.

Barclays' response to Ms H's health

Ms H has told us about her health concerns on a number of occasions. She has been clear that she doesn't think Barclays did enough to support her. She complains that despite telling Barclays about her health on a number of occasions it didn't take her health and vulnerabilities into account. She says it wasn't until she spoke to an adviser in November 2020 that Barclays' specialist support team was told about her circumstances. She thinks she should have been referred to that team much earlier.

I've considered Barclays' notes of its contact with Ms H. These show that she told it about her vulnerabilities in July 2019. At that time she said she wasn't working due to her health, and Barclays gave her a mortgage payment holiday. In the circumstances, I can't say that it didn't take Ms H's health into account at that time. It also told us that all its advisers are trained to support vulnerable customers. So I can understand why it only decided to refer Ms H to its specialist support team in November 2020 when it had become clear that Ms H was particularly vulnerable and needed more support.

Ms H has told us she found the support she got from the specialist support team helpful. However, she complains that it didn't contact her again after January 2021. She says that

when she was given contact details to get in touch with Barclays, the phone number of the specialist support team wasn't given.

I think it would've been helpful for Barclays' specialist support team to help Ms H after this point. It was clear that the underlying reasons for Ms H being vulnerable (her health, her dispute with the freeholder of the property and the impact of that on her day to day living arrangements, being behind with her mortgage) hadn't gone away, and were arguably getting worse.

Conclusion

Taking this matter as a whole, I'm persuaded that Barclays made a number of mistakes in this case. I think that it should have handled her request for a lower interest rate on her mortgage in June 2020, it should have done more to ensure that her payment deferrals were handled better, and it could have done more to support her health.

Ms H has been clear about the impact of Barclays' mistakes on her, at a time when she was already vulnerable. So in addition to reworking her mortgage to ensure that the interest rate product it offered her in December 2020 was applied from July 2020 I think it should pay her £750 compensation for the trouble and upset its mistakes had on her. That amount reflects the substantial impact of Barclays' mistakes on Ms H.

But even after Barclays takes those steps, Ms H's mortgage will still be in substantial arrears. Barclays will need to look carefully at her situation to see whether there's further assistance it can offer, and Ms H will need to engage with Barclays and try to work with it to find a way forward. I hope a solution can be found, and Ms H is able to resume paying her mortgage. But if that doesn't prove to be possible, and Barclays finds it needs to take further action, it should continue to bear her vulnerabilities in mind as it does so.

My provisional decision

For the reasons set out above, my provisional decision is that Barclays Bank UK PLC should:

- rework Mr H's mortgage as if the interest rate product it offered Ms H in December 2020 was offered and taken out by Ms H in July 2020. When it does that Barclays should taking into account any fees that would have been incurred getting that product.*
- pay Ms H £750 to reflect the trouble and upset Barclays caused her.*

Responses to my provisional decision

Barclays didn't respond to my provisional decision despite being asked to on more than one occasion.

Ms H provided a very detailed response to my provisional decision. She also sent us a further detailed response after the Financial Ombudsman Service sent her copies of the documents I relied upon to reach my provisional decision.

Before I consider Ms H's recent responses I think it's worth me saying here that it's clear that Ms H is unhappy with the thoroughness of my response to all the points she has made in this complaint.

I appreciate Ms H's strength of feeling about all the issues she has raised. However, the

Financial Ombudsman Service is an informal dispute resolution service. That means I'm not required to respond to each individual point Ms H has made.

Instead my role is to consider Ms H's complaint as a whole and make a decision that I consider to be fair and reasonable. So I trust Ms H won't take it as a discourtesy that I've decided her complaint in the way that I have. I'd like to assure Ms H that I've read and considered the whole file, however I'll keep my comments to what I believe is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't need to comment on it in order to reach the right outcome in this complaint.

To summarise Ms H has made the following points since I issued my provisional decision:

- Ms H feels that Barclays has cherry-picked the records it has sent us to hugely downplay the number of phone calls she had with it, and all the letters it sent her about the arrears. She says Barclays did that to conceal the full extent of how they treated her and has at times mis-recorded and actively lied about the way it treated her. Ms H thinks I was wrong to rely on Barclays' records.
- Ms H wants me to make it clear that she was (and still is) unable to pay her mortgage because of her health. So she has said that her ill health is a disability. So she says Barclays has discriminated against her.
- Ms H doesn't feel that I did enough in my provisional decision to highlight the impact of Barclays actions' on her health.
- She remains of the view that the new interest rate should be applied before July 2020.
- She doesn't think the £750 compensation I said I was minded to award is enough.

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.

Having done so I remain of the view that the redress I said I was minded to award in my provisional decision is fair and reasonable. I'll explain why.

Interest rate switch

I remain of the view that Barclays should rework Ms H's mortgage as if the interest rate product it offered her in December 2020 was offered and taken out by Ms H in July 2020. That's because I remain of the view that on the balance of probabilities, Ms H had a phone conversation with Barclays on 9 June 2020 where it said (amongst other things) that it would phone her back about getting a lower interest rate on her mortgage.

Ms H remains adamant that she asked for a lower interest rate before that. She doesn't think Barclays has been honest about that and doesn't think it has sent us all its records as it's required to do. I'm in no doubt about the strength of Ms H's feelings about Barclays and its record keeping, but I'm not persuaded that Barclays has deliberately withheld information as Ms H says it has.

Ms H feels that I criticised her by saying I'm not persuaded that she raised the matter with Barclays before that. She says it's not normal for a consumer to have to create records of its interactions with a company and by not doing so sooner, she is effectively being punished.

I want to be clear that I wasn't criticising Ms H in my provisional decision. Nor do I think consumers should have to provide detailed records of every interaction with a company. However, I'm required to make my decisions on the basis of the available evidence. In this case I'm not persuaded (on the balance of probabilities) that the evidence shows that Ms H asked for a lower interest rate on her mortgage before 9 June 2020. My reasons for that are set out in my provisional decision.

Payment deferrals

It's clear that Ms H doesn't think I've fully appreciated the impact of Barclays' mistakes about the payment deferrals on her. She has told us how she thinks Barclays only gave her what she was entitled to in terms of payment holidays and how aggrieved she is about how much work she had to put in to ensure that her payment holidays were recorded properly – something she says it never got right. Ms H has told us how Barclays sent information to the credit reference agencies every month, but it wasn't right as every couple of months Barclays had to manually 'cleanse' her account. She says Barclays told her each month that they'd corrected the issue, but that wasn't right. She says that went on for a year and all letters and documents continued to be incorrect 18 months later. She says she spent what amounts to weeks on the phone trying to get Barclays to correct its systems.

After she said this I asked Ms H whether she still thinks her credit file has incorrect information on it as a result of what happened. Ms H didn't confirm that. Instead she says that Barclays caused irrevocable problems. She told us that a credit card stopped working for cash transactions and was never reinstated. She says the credit card provider asked if she'd checked her credit file but wouldn't provide any further information.

I'm in no doubt that Ms H thinks that Barclays is wholly responsible for what happened with her credit card – and other credit cards where her credit limit was reduced at the time. I also think it's likely that her credit file – something Ms H says was wrong and adversely affected for over a year – is likely to have impacted her access to credit around this time. But I'm conscious that Ms H hasn't provided me with a copy of her credit file to consider – despite being prompted to. So it is difficult for me to see the full picture of her finances at the time.

I think the reasons for each lender's decision to reduce the amount of money it was willing to lend to Ms H would have been affected by a number of issues including her overall financial circumstances, the relevant credit card provider's attitude to risk and Ms H's management of her credit card accounts. So it's not clear to me (on the basis of the available evidence) the extent to which Barclays is responsible for these issues. Ms H has told us that she wasn't working at the time, hadn't been for some time, and was in receipt of benefits. I don't say that to cast aspersions on Ms H in any way – as she has suggested – but to highlight her overall circumstances at the time. In deciding how much money it was willing to lend Ms H, and on what terms her creditors would have considered Ms H's overall circumstances, including her credit file.

Other points Ms H has raised

Was Ms H discriminated against?

In her response to my provisional decision Ms H said that her ill health is considered to be a disability. As her ill health has prevented her from working and paying her mortgage she says her lack of ability to pay her mortgage is directly caused by her disability. She feels Barclays has treated her less favourably than someone without a disability – in other words that Barclays has discriminated against her.

I think it's worth saying here that I already considered these issues in my provisional

decision even though Ms H made her point more directly in her response to my provisional decision.

Discrimination can have a specific legal meaning – it's the unlawful behaviour set out in the Equality Act 2010. The Equality Act applies to Barclays, and it's something I've taken into account in this case. I've used the words "taken into account" because it isn't for me to make a finding on matters of law in my decisions. That's a matter for the courts. Nor is it for me to act as a regulator and decide whether Barclays breached relevant regulations. However, I have considered the Equality Act, and discrimination in the wider sense. I've thought about whether Ms H has been treated unfairly, and if she has, whether that unfair treatment was because of who she is.

Having considered all the available information in this complaint, I'm not persuaded that Ms H was discriminated against because of the personal circumstances that affect her. No-one is disputing the serious health concerns Ms H has lived with and I empathise with the situation she finds herself in. This situation has ultimately meant that Ms H hasn't been able to pay her mortgage. But this doesn't mean that Barclays acted unreasonably. Ms H entered into a mortgage contract and the contractual monthly payments had to be paid. It's unreasonable for any lender to allow a mortgage to continue to remain unpaid and for arrears to mount up without having to take any course of action. What I've considered is whether the course of action that Barclays took was fair and reasonable – and I think it was. While I understand the situation that Ms H finds herself in, it's not reasonable to suggest that Barclays should allow the mortgage to continue to remain unpaid as a reasonable adjustment. It therefore follows that it's not for Barclays to write off the mortgage because of the situation that Ms H finds herself in.

Barclays' contact about her arrears

I appreciate that Ms H remains very upset about Barclays' contact with her about the arrears on her mortgage and the potential consequences. She says Barclays sent her threatening letters and texts saying she could lose her home that she found very distressing.

I understand Ms H's point of view and I'm sorry to hear what she has told us. However, I'm conscious that Barclays was obliged to ensure that she was fully aware of the potential consequences of the substantial arrears that were building up on her account, and later on about potential litigation.

So overall, I'm not persuaded that Barclays was wrong to keep her informed of the arrears on her account and the potential consequences.

Should Barclays have written to Ms H's freeholder?

In her response to my provisional decision Ms H said that she accepts that Barclays wasn't obliged to write to her freeholder, but she still thinks it would have made a difference. I appreciate Ms H's point of view. However, as Barclays wasn't obliged to write to her freeholder, I remain of the view that it wouldn't be fair and reasonable for me to say that Barclays' should have done more on this point.

Barclays' response to Ms H's health

Ms H doesn't think that my provisional decision did enough to highlight the impact of Barclays actions' on her health. Amongst other things Ms H highlighted the fact that she was prescribed additional medication and that at one point Barclays knowingly drove her to the point of feeling she could not go on. She thinks that by not awarding her more compensation I am punishing her and rewarding – even emboldening - Barclays. As I said in my provisional

decision, my role isn't to punish businesses for their mistakes. So I don't think it's right to say that by not punishing Barclays I am somehow punishing Ms H or downplaying the significance of what she has told us.

I'm very sorry to hear about the impact of Barclays' mistakes on Ms H and what she has gone through, this is not in dispute. Ms H has provided a great deal of detail about her interactions with Barclays. She has made it clear that she didn't feel that Barclays helped her in any way, and that she feels it was negligent and incompetent.

As I said above, I've considered everything Ms H has said and provided. However, my role is to consider Ms H's complaint as a whole, with reference to the all the circumstances.

I remain of the view that its fair and reasonable that Barclays should pay Ms H £750 compensation to reflect the substantial impact of its mistakes on her.

Barclays' documentation

In reaching my provisional decision I took into account Barclays records.

It's clear from Ms H's recent submissions that she feels that Barclays has cherry-picked the records it has sent us to hugely downplay the number of phone calls she had with it, and all the letters it sent her about the arrears. She feels Barclays has tried to conceal the full extent of how they treated her – that it mis-recorded and lied about the way it treated her.

Once again I don't underestimate Ms H's strength of feeling about these issues. There's no doubt that there are substantial gaps in Barclays record keeping but I've seen nothing to indicate that Barclays has acted to deliberately misrepresent or underplay its interactions with Ms H as she has suggested.

What should Barclays do going forward?

Recently Ms H has told us that negotiations with the builder to resume work on her property are underway. She says that will lead to her finally being in a position to sell it. She has asked for me to give directions to Barclays regarding moving forward. She wants me to ask Barclays to agree a realistic approach moving forward to enable the work to complete to enable the sale of the property.

I'm very pleased to hear that Ms H might soon be in a position to sell the mortgaged property and clear her arrears. However, it wouldn't be appropriate for me to tell Barclays how to manage her account going forward.

As I said in my provisional decision, even after Barclays takes the steps I set out in my provisional decision Ms H's mortgage will still be in substantial arrears. Barclays will need to look carefully at Ms H's situation to see whether there's further assistance it can offer, and Ms H will need to engage with Barclays and try to work with it to find a way forward. I hope a solution can be found, and Ms H is able to resume paying her mortgage. But if that doesn't prove to be possible, and Barclays finds it needs to take further action, it should continue to bear her vulnerabilities in mind as it does so.

Putting things right

To put things right Barclays should rework Mr H's mortgage as if the interest rate product it offered Ms H in December 2020 was offered and taken out by her in July 2020 and pay her £750.

My final decision

For the reasons set out above, my final decision is that Barclays Bank UK PLC should:

- rework Mr H's mortgage as if the interest rate product it offered Ms H in December 2020 was offered and taken out by Ms H in July 2020. When it does that Barclays should taking into account any fees that would have been incurred getting that product.
- pay Ms H £750 to reflect the trouble and upset Barclays caused her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 22 August 2023.

Laura Forster
Ombudsman