

The complaint

Mrs and Mr C complain that Barclays Bank UK PLC has treated them unfairly when it failed to provide an accurate update on their revised monthly repayment figure.

What happened

Mrs and Mr C have a mortgage with Barclays which has four different mortgage accounts within it. The mortgage payment for all mortgages is collected via direct debit with one payment being taken by Barclays to cover all mortgages.

In January 2023 Mrs and Mr C received a revised payment notice (RPN) for their mortgage. This included the account numbers for three of their four mortgage accounts. The letter said their total repayment in February 2023 would be £997.99. When Barclays collected the monthly payment in February it collected £1013.97.

Mrs and Mr C complained that Barclays failed to do what it should have when it didn't give them the correct monthly repayment amount that would be taken by direct debit. They have said this has impacted their ability to budget and Barclays shouldn't be allowed to say it will be debiting an amount and then change this without notice.

Barclays looked into this and explained to Mrs and Mr C that the RPN only included three of the four mortgage accounts. The fourth mortgage accounts repayment had remained the same which is why this was not included on the RPN. It said the total monthly payment debited was correct when the fourth mortgage account was added to the total repayment. It apologised for any confusion caused when this wasn't included with the total repayment amount and offered £100 in recognition of this. Mrs and Mr C did not accept this offer.

Our investigator looked at this complaint and didn't think Barclays needed to do anything else. They felt the total monthly payment collected was correct, although they agreed there was likely confusion caused when Barclays failed to add the fourth account to the RPN. They felt the offer of £100 in recognition of this was fair and she didn't think this needed to be increased.

Mrs and Mr C did not agree with the investigator's opinion. The investigator said in their view that the compensation had been paid and this was not the case. And Mrs and Mr C felt it should be recognised that Barclays is in breach of the direct debit rules when it is providing false information about the amount that would be collected. They also didn't think it was fair to expect that they should be confirming the total amount by working out what would be taken with the fourth account added to the three detailed in the RPN.

Our investigator apologised for stating the £100 had been paid but they said their outcome remained unchanged. They still felt the compensation offered was fair for the error of not confirming the total amount with the inclusion of the fourth mortgage account in the RPN. But she didn't think Barclays had broken the direct debit guarantee as it had correctly provided notice of the repayment amounts that were changing and while the total should have also included the repayment amount that was not, she didn't think this amounted to a breach.

Mrs and Mr C continued to disagree with our investigator and as their opinion remained unchanged, the complaint was referred for decision.

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've decided not to uphold this complaint. I know this will be disappointing for Mrs and Mr C, but I'll explain why I think the offer of £100 made by Barclays is fair.

It is not disputed that Barclays did not provide Mrs and Mr C with a RPN which included all of their mortgage accounts. And as a result, it didn't provide an accurate notice as to the total amount they could expect to be debited from their account.

Although the fourth mortgage account was not subject to a revised payment and it is correct that no notice was needed as a result of this, it is understandable why Mrs and Mr C were under the impression their total monthly payment was to be £997.99.

The letter sent on 31 January 2023 said, "*Total Payment for February £997.99*". So regardless of the fact that Mrs and Mr C would have been aware only three of their four accounts had a revised monthly payment, they could reasonably have expected the total for all to be included in Barclays total.

I don't think it would be fair to say the direct debit guarantee has been broken as notice of the amended payment amounts was provided giving the required notice. But the letter sent on 31 January 2023 with the total for three of the four will, as I've explained above, have caused confusion with a reasonable expectation that the total referred to was what Mrs and Mr C could have expected to pay for their mortgage as a whole. And while they could have done the calculations themselves and confirmed the total was only the total of three of their accounts, I think it was fair to expect it was their actual total mortgage payment amount based on how this is collected.

When the amount taken was greater than expected, it is understandable that distress was caused. Barclays was able to explain to Mrs and Mr C why the amount claimed was correct and it did this quickly, confirming there was no error in the total. But I think it is right that it recognises this distress and the impact of it not being as clear as it could have been in earlier communications on the total monthly mortgage repayment.

I feel the award offered of £100 for this is fair and in line with an award this Service would make and expects for an error of this nature. I understand Mrs and Mr C have said this has caused an issue with their budgeting and understanding what will be debited from them for their mortgage each month. But I've not seen anything to demonstrate there was a consequential financial loss as a result of them not being aware of the total amount to be debited.

While I agree mistakes have been made, I think Barclays offer to put things right and pay Mrs and Mr C £100 for the distress and inconvenience is fair and reasonable. If they wish to now accept this offer, they will need to let Barclays know so it can arrange payment of this.

My final decision

I don't uphold this complaint for the reasons explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to

accept or reject my decision before 12 February 2024.

Thomas Brissenden
Ombudsman