

## **The complaint**

This complaint's about a request that Mrs B made to Barclays Bank UK Plc to release its charge over her property. She say that due to delays and errors on Barclays' part, she lost out on a low interest rate for an equity release mortgage, and as a result, the balance will grow much more quickly over the life of the mortgage. Mrs B has third party representation in bringing the complaint to us.

## **What happened**

The broad circumstances of this complaint are known to Mrs B and Barclays. I'm also aware that the investigator issued a response to the complaint, which has been shared with all parties, and so I don't need to repeat the details here.

Our decisions are published, and it's important that I don't include any information that might result in Mrs B being identified. Instead I'll give a brief summary of the key events, and then focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

In early 2022, Mrs B was trying to arrange an equity release mortgage. She had an offer for £100,000 from her new lender, with a lifetime fixed rate of 2.88%. Mrs B's solicitors discovered that Barclays had a charge registered over her property, relating to a mortgage she'd repaid many years earlier. The solicitors' records show it called Barclays on 11 February 2022, to be told the charge should be released in about five working days. In fact, it took much longer for the charge to be removed; by the time it had, the original offer had expired, and Mrs B's new lender re-offered the equity release mortgage at 4.10%.

Our investigator thought that Barclays should reimburse Mrs B the extra amount by which the mortgage balance will grow due to the accrual of interest at a higher rate. He recommended this cover the first eight years of the mortgage, based on Office of National Statistics life expectancy data. Mrs B's representative agreed to this.

Barclays has not given a firm indication either way on whether it agrees or not. It has instead repeatedly asked for more time, and made additional requests for information from Mrs B. This matter has been outstanding now since January 2023; procedural fairness requires there be no further delays.

## **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've reached a similar conclusion to the investigator. On the balance of probabilities, I'm persuaded by the available evidence that Mrs B's solicitors spoke to Barclays on 11 February 2022, and were told the charge would be released in five working days. Barclays separately confirmed that this is its normal working standard. If that had happened, the charge should have been removed on or before 18 February 2022.

Barclays has now said that due to the particular type of charge involved, five days would, in fact, not have been enough. I'm not sure how that helps the bank's argument; all that means is that it would have failed to meet the undertaking I'm persuaded it gave on 11 February 2022, and would still be liable for the consequences thereof.

Barclays has also pointed to the fact that after the charge was released, a further 29 days passed before the equity release completed. I've thought about that carefully. The available evidence doesn't suggest the existence of any other impediment to the new equity release mortgage being completed, beyond the removal of Barclays' charge.

On balance, I think the most likely reason for the passage of 29 days before completion was that by then, there was no longer any time pressure to complete. Overall, I'm persuaded that if Barclays had done what it should have done, when it should have done it, Mrs B's equity release mortgage would have completed on a lifetime fixed rate of 2.88% instead of 4.14%.

Barclays, by its errors and omissions, has caused significant financial detriment to Mrs B; that detriment is ongoing and will continue to incur for as long as Mrs B has the lifetime mortgage. However, I agree with the investigator's view that Barclays should make good that detriment, albeit for the first eight years only.

Both mortgage offers contained a projection of the growth in the mortgage over the first eight years. Those projections, which Barclays has seen, show that the higher rate Mrs B is means her mortgage balance will grow to £138,741.26 by year eight, whereas it would have grown to £125,875.51 had it been at the lower rate. The difference between the two, £12,866.05, is the redress due to Mrs B as a result of Barclays' shortcomings in how it handled the request for the release of the charge on her property.

Mrs B will receive the redress before much of the loss has been incurred, As there's a theoretical financial benefit to her doing so, I don't award compensation for her time, trouble and upset.

### **My final decision**

My final decision is that I order Barclays Bank UK PLC to pay Mrs B £12,866.05 in full and final settlement of this complaint. I make no other order or award.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further consideration or discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 16 August 2023.

Jeff Parrington

**Ombudsman**