

## The complaint

Mr L complains that his remortgage application with Barclays Bank UK PLC stalled, and the offer then expired, because Barclays failed to deal with an outstanding query over how his house is owned. Mr L wanted £10,000 compensation for the impact this had on him.

## What happened

Mr L said he'd applied to remortgage with Barclays in summer 2022. The remortgage had then stalled, because of a query over how his house is owned. The property is split across more than one title at the Land Registry, and the solicitors acting for Barclays had asked whether Barclays was happy to go ahead with this, or whether it wanted Mr L to merge the titles into one first, before it would let him remortgage. Mr L said there was never any answer to that question from Barclays, and he thought his mortgage offer would now have expired.

Mr L told us about a health condition he has, which he said was disabling. He said what had happened here had caused repeated flare ups in his condition. Mr L wanted Barclays to pay the extra costs he'd paid on his tracker mortgage, and to pay compensation of £10,000 in total.

When this case came to our service, Mr L hadn't received any formal response to his complaint from Barclays. So Barclays looked again at the case, and it accepted something had gone wrong. It said it issued an offer in mid-September 2022, once Mr L paid the outstanding fee. But in early November, the solicitors working for Barclays had asked whether Barclays was happy to secure its lending over more than one title.

Barclays had then checked with the valuer whether the separate titles for Mr L's property would need to be merged, and the valuer said they would be. Barclays said it had responded to the solicitors to tell them this. But Barclays said it had never responded to Mr L's request at that time for his mortgage offer to be extended. It said it wouldn't have extended the offer then, but it should have told Mr L what was happening. In January 2023, Barclays refunded the product fee Mr L had paid, as his offer had expired. And it was shortly after this that Mr L asked us to look into things.

After this case came to our service, Barclays said it would now reinstate the mortgage offer that Mr L had first secured in summer 2022, at the same interest rate, so he could take up this mortgage offer now, if he wanted. As part of this, Barclays took the product fee of £899 from Mr L again. Mr L says Barclays did that without any warning.

Barclays also said it would make a payment to cover the extra costs Mr L had incurred on his old tracker mortgage in the interim.

But Mr L said he'd changed his mind about staying in this house. Cost of living increases now meant he would have to sell. So he no longer wanted the five-year fixed rate mortgage that Barclays first offered in summer 2022, because that would mean he'd have to pay an Early Repayment Charge ("ERC") if he did want to sell.

Mr L wanted Barclays to pay compensation. He wanted Barclays to pay back the money he'd paid to the solicitors working on its behalf, which totalled £229.60. And he wanted it to pay around twelve months of extra interest charges, which he said were roughly £300 each month, so £3,600. Mr L said the rest of the £10,000 he wanted would be compensation for the time he'd spent on this complaint as well as the impact it had on his health.

Barclays wouldn't pay that. It said it had already refunded the product fee, for a second time, and it offered £500 instead.

Our investigator thought this complaint should be upheld. He said he wouldn't ask Barclays to cover the additional mortgage costs that Mr L had asked for, which covered the difference between the tracker Mr L had and the fixed rate mortgage he could have secured, because Mr L had now decided he didn't want to take up a fixed rate mortgage after all.

Our investigator said Barclays should pay any outstanding mortgage fees Mr L had paid, the costs of £229.60 that Mr L paid to Barclays' solicitors, and £750 in compensation. Our investigator said that was based on the length of time it took Barclays to attempt to resolve Mr L's complaint, the time Mr L himself had spent trying to resolve it, and the considerable distress and upset this has caused Mr L, including the impact on his health.

Mr L replied to say he thought our service was acting for him, and £750 wasn't enough compensation for what he had gone through. Mr L said his medical condition was disabling, and we hadn't mentioned that. He said he felt prejudiced because our service hadn't given this the weight it deserved.

Mr L said he wanted a lot more compensation, and he thought as he was our client, we should have discussed this compensation amount with him, before sending this to Barclays.

Barclays said it would like to know what the solicitors' fees it was being asked to pay, were for. If they were for the merger of titles, then Barclays thought this was likely to be beneficial when it comes to selling the property, so it wouldn't offer to cover this. Barclays still thought its suggestion of £500 in compensation was reasonable.

Because no agreement was reached, this case then came to me for a final 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues.

I'd like to start by setting out the basis on which our service operates. It appears, from comments Mr L has made recently, as if he's understood that we provide a consumer advocate service, helping him to achieve what he wants to resolve his complaint. But that's not the basis on which our service works. We aren't on anyone's side. We are set up by law as an independent dispute resolution service, and my role is now to resolve this case on the basis of what I think is fair and reasonable in all the circumstances of this case.

And here, I've reached the same overall conclusion as our investigator. I'll explain why.

It doesn't appear that there's any dispute that Barclays failed to communicate with Mr L about his mortgage application, after it reached the view that his property titles did need to be merged. His mortgage offer then lapsed, and Barclays also failed to deal with his subsequent complaint before he asked us to look into things. As part of this, Barclays refunded a substantial product fee, then took the money again, then refunded it again.

I understand that this has been very stressful for Mr L, and he's told us about the impact this had on his health. He has told us how this affects his daily life.

As part of assessing this case, I have to think about what's likely to have happened if Barclays hadn't made a mistake. And, although I do think Barclays made a mistake in failing to communicate with Mr L once it had decided the property titles should be merged, I don't think it was a mistake for Barclays to say that the titles to Mr L's property would need to be merged into one, before the property could be mortgaged with it.

Unfortunately, the merging of property titles does take some time. And Mr L's offer had under seven weeks to run, when this issue was raised by Barclays' solicitors. By the time the valuer had told Barclays that the titles would need to be merged, there was less than a month left on the offer. So I think it's more likely than not here, that Mr L's mortgage offer would always have expired, before he was able to complete the merging of titles (which Mr L would have needed to arrange himself).

So I think that, unfortunately, even if Barclays hadn't made mistakes in its communications with Mr L, this was always likely to have been a very stressful time for him.

But because of the poor service Mr L had experienced, Barclays said it would reinstate its offer, and pay compensation for the time he'd been on a variable rate. We know, though, that Mr L's circumstances have now changed, and he is selling the property.

Fortunately, he isn't currently tied into a fixed rate mortgage, so no ERC will be payable once he sells. I do have to take that into account, along with all of the above information, when I'm considering an appropriate outcome for this complaint.

I must also take into account that Mr L has a health condition, which he has described as disabling. He said Barclays was aware of this, and I can't see that it has argued otherwise. I know that Mr L wanted Barclays to pay a considerable amount of compensation because of that – he said we should value his health and wellbeing more highly.

I'm sorry to have to tell Mr L that I don't think it's reasonable to ask Barclays to pay the amount of £10,000 which he initially suggested for this complaint. I understand why he considers this is especially serious, but I don't think an award at that sort of level would be consistent with other awards our service makes.

But I do think that the impact of this complaint on Mr L would have been more severe, and I think it's reasonable to say Barclays should have been aware of that. For that reason, I do think Barclays should pay both the fees that I'm satisfied Mr L has paid to its solicitors, for remortgage work that wasn't completed, as well as £750 in compensation for the errors made, lack of communication, and the stress and inconvenience caused to Mr L and his health. I think that would provide a fair and reasonable outcome to this complaint.

**My final decision**

My final decision is that Barclays Bank UK PLC must refund Mr L £229.60 in fees which he paid to its solicitors, and £750 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 28 November 2023.

Esther Absalom-Gough  
**Ombudsman**