

The complaint

Mr B's complaint is about a buy-to-let mortgage he has with Barclays Bank UK PLC. He is unhappy that the interest rate he initially wanted, but was unable to apply for online, was no longer available when he spoke to a mortgage adviser.

What happened

Mr B took out his buy-to-let (BTL) mortgage in 2018. Attached to it was a fixed interest rate product with an end date of 30 April 2023. If the mortgage was paid off before that date, or Mr B wanted to exit the product early, an early repayment charge (ERC) was payable.

On 16 September 2022 Mr B called Barclays business service line to speak to it about an issue with the bank account for a business for which he was the director. He had been sent a letter saying he needed to provide some information or Barclays would close the account. He had been unable to gain access online to provide the information needed. It was not clear that Mr B meant he had not been able to log in to online banking. He was told that because he had not responded to the first request, Barclays had blocked the account. This block could not be removed until the information needed had been provided. As such, Barclays said it would send him an email and pass-phrase which would allow him to provide the information needed by email. However, there was a problem with Barclays' system, and it didn't produce the pass-phrase. Mr B was told Barclays would call him back later that day, but it did not and Mr B chased the matter by email on 27 September 2022.

Barclays responded to the email by trying to call Mr B on 29 September 2022. The call was not answered, and a message was left asking Mr B to call back. Mr B said in two calls on 3 October 2022 that he had received the message and tried to call back, but he had been unable to get through.

Mr B called the Barclays business team about the issue with the business bank account again on 3 October 2022. After some discussion and another failed attempt to allow Mr B to provide the information via email, Barclays arranged for the form it needed completed to be sent to Mr B in the post. During this conversation Mr B mentioned that he had tried the previous night to change his mortgage rate, but he could not get into the account. The business banking person looked at Mr B's online banking access and couldn't identify any problems with it that would have stopped him logging on and accessing his mortgage account. She gave him the membership number he should have been using to log in, and Mr B confirmed he had been using a different number.

The member of staff then took Mr B through the process of logging on, but once he managed to get to the relevant point in the system, he wasn't able to do so – he got an error code. As such, Barclays set him up with a new online membership and he was able with guidance to log into the online banking system. Mr B asked how to do something relating to the mortgage and was told that as he was speaking to the business team, the individual didn't know the answer. Mr B was told to call the relevant customer services number. A complaint about the problems regarding the business bank account was logged and resolved the same day, with a compensation payment of £100 being paid into the business

bank account. During this part of the conversation Mr B asked that it be recorded he had been trying to get into his mortgage for '*the last few days*'.

On the same day Mr B spoke to a team that could help him with his mortgage. He asked for information about what mortgage rates were on offer. He was told that he would need to wait until December 2022 to be able to reserve a new rate without paying an ERC. He asked what would be on offer at that time if he was willing to pay the ERC. He was told how much the ERC was at that point and given details of five-year fixed interest rate products; 3.12% with a product fee and 3.43% without a fee. It was also confirmed that if he wanted to exit the existing product early and replace it with a new one, he would need to speak to a mortgage adviser. An appointment was booked for 14 October 2022, although Mr B was unhappy that he was having to wait so long to speak to someone. The following day a cancellation became available, and Mr B was booked in for 5 October 2022.

However, Barclays then cancelled the booked appointment later that day. Mr B was very unhappy about this and called Barclays. He explained that he was concerned that interest rates might rise again before he managed to get to speak to an adviser. He said if he didn't get the rate he had been told about, it would be a '*nightmare*'. It was confirmed there had been a problem with the booking system and a replacement appointment was booked for 6 October 2022.

The interest rate products Mr B had been told about on 3 October 2022 ceased being available at the end of that day. New products were released on 4 October 2022. This meant that the products available at the time of the interview had higher interest rates associated with them. Mr B was subsequently sent an offer for a fixed interest rate product of 4.62% with a product fee. The offer was not accepted, and Mr B eventually took a new product in 2023 after he no longer needed to pay an ERC.

Mr B complained about the fact that he had been unable to obtain the interest rate product he'd wanted and the poor service he'd received.

Barclays issued two final response letters. The first was dated 18 October 2022. It upheld the complaint in relation to the level of service it had provided him with – poor communication - and offered him £75 compensation. It confirmed that due to the type of mortgage he had, any product change needed to be done via an appointment with a mortgage adviser.

Barclays provided a further response in its letter of 9 December 2022. It confirmed Mr B's original appointment with a mortgage adviser should not have been cancelled, but the rate he had wanted had no longer been available on the date of the original appointment. As it could not find any evidence of an earlier application, it said it wasn't able to attach the product Mr B had wanted to his mortgage. Barclays also said Mr B's access to online banking had been blocked as he had not provided information it had requested in relation to his business' bank account. Barclays didn't think it had done anything wrong, but understood the circumstances would have caused Mr B upset and inconvenience, as would the time it took to investigate the complaint. It paid Mr B £400 compensation.

Mr B was not satisfied with Barclay's responses and referred his complaint to the Financial Ombudsman Service. When he did so he told us that in light of the situation with mortgage interest rates in the autumn of 2022, he decided to look at changing his product early and pay the ERC associated with doing so. He told us he was blocked from his mortgage account from 16 September to 3 October 2022. Mr B said contacted Barclays on 16 September 2022 and was sent a link that should have enabled him to access online banking, but he was not provided with a pass-phrase. He chased this, but the situation was not sorted out until 3 October 2022, and at that point he was told he would need to speak to

an adviser. He highlighted that the information on Barclays' website said that new interest rate product applications could be applied for online and didn't mention that this wasn't possible for some mortgages. He also highlighted that he tried calling Barclays on many occasions but it was impossible to get through.

Barclays provided us with its policy setting out the method for new interest rate applications – what needs to be applied for in what way. Like many lenders, if an early repayment charge would be incurred, it requires a borrower to speak to a mortgage adviser. In addition, there are some types of mortgage account where online applications are not possible – BTL mortgages are not listed as such, but a link does need to be sent to allow an application to be started. Barclays also confirmed that its website contained a section titled '*Can I switch my rate?*', which if the correct answers are given would confirm whether an online application could be made. In Mr B's case, as he was more than 180 days before the end of his existing product, he would have been told he had to book an appointment.

One of our Investigators considered the complaint. He highlighted that Mr B had made no mention of his mortgage and problems changing his product until 3 October 2023. The Investigator went on to confirm the reason for Mr B not being able to access online banking before that date was because Mr B had the wrong membership number for accessing the system. This was resolved that day and Mr B was also told he could not change his product online as he wanted to exit his existing product early. While there were issues once an appointment was booked, the Investigator was satisfied, in the circumstances, the offer made by Barclays was fair and reasonable.

Mr B didn't accept the Investigator's conclusions. He provided some documents we already had, and some copy emails between him and Barclays giving him a web address to access his account. Mr B said he called nine times between 16 September 2022 and 28 September 2022. A further 19 calls were made between 2 and 4 October 2022. Mr B also raised questions about what we had been told about the information contained on Barclays website in September 2022, as he didn't think it was correct.

The Investigator checked the final point with Barclays, and it confirmed that until 3 October 2022 BTL customers were offered the option of applying online or through an appointment with a mortgage adviser. He reconsidered all of the evidence in light of this, but he didn't change his opinion that Mr B could not have had the interest rate product he'd wanted given the timings involved and the compensation Barclays offered was sufficient. As agreement couldn't be reached, it was decided the complaint should be referred to an Ombudsman for review.

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 have listened carefully to the recordings of the telephone calls Mr B had with Barclays and I think there has been some confusion over what he could access when, and later why he was unable to access online banking. He contacted Barclays' business team in September 2022 to discuss his business' bank account. He had been told to provide information online, and he'd been unable to do so. Based on this and the last conversation Mr B had with the business banking team on 3 October 2022, there were two things going on at that time.

The first was that Mr B appears to, until 3 October 2022, have been trying to use an incorrect online banking membership number when trying to log in. As such, irrespective of any other issues, he couldn't have accessed online banking for this reason alone. However, at the same time, Barclays had also blocked access to his business bank account within online

banking. The block that Barclays applied was *not* the reason Mr B could not log in to online banking in September 2022; it would simply have meant he could not have accessed the business account if he had. It doesn't appear that Barclays understood from the explanation Mr B gave it in September 2022 he couldn't access online banking at all, and I don't think that lack of understanding was unreasonable having listened to the call. It was not until 3 October 2022, when he also told it he couldn't access his mortgage account, Barclays fully understood the situation.

Mr B has not asked us to consider a complaint about the block being placed on the business bank account and the difficulties this caused him in relation to *that account*. As such, I won't comment further about that issue.

The first mention Mr B made of having tried to access his mortgage account online, and having been unable to do so, was on 3 October 2022. He said he had tried to do so the previous evening. Later that day he said he had tried over the '*last few days*'. Once Mr B mentioned that he'd had trouble accessing the mortgage account, Barclays looked into his online banking membership. It couldn't identify any obvious problems with it. It was at this point it was identified that Mr B had been using an incorrect membership number. I have seen no evidence that indicates this mistake was linked to an error by Barclays.. As such, until 3 October 2022 any lack of access to online banking would not appear to have been Barclays' fault.

I note that following Mr B being given the right membership number, he was still not able to log in to online banking. What the problem was, how it came about, and for how long it had existed, is not known. It may have been present before that day or due to the difficulties Mr B had when he started trying to log on that day. Had Mr B been using the right membership number this issue may have arisen earlier, but even if that were the case, the problem was not the reason he was unable to access online banking before 3 October 2022.

Barclays has said that Mr B could not have applied for a rate online because of the type of account he has with it, and also because of what he wanted to do – change products and pay an ERC. I have examined Barclays' policy in regard to when online switches can and can't be made. It is the case that where a borrower wants to change product early and would need to pay an ERC, applications have to be made through a mortgage adviser.

So, even had Mr B been able to access online banking on the evening of 2 October 2022, which is when he initially indicated he had first tried to do so in relation to the mortgage, I am satisfied he would not have been able to apply. He would always have had to call Barclays and ask for an appointment with a mortgage adviser. Given how busy all lenders were at that time, it is highly unlikely he would have been able to obtain an appointment with a mortgage adviser for 3 October 2022, which is when he would have needed it to have happened to be able to secure the 3.12% product he has said he wanted. As such, I can't conclude that Mr B has suffered a financial loss because of any errors or omissions on Barclays part.

As I have said above, I am only looking at the events relating to Mr B's mortgage. The appointment cancellation on 4 October 2022 caused Mr B some stress and this should not have happened. I am also satisfied that the communications were not clear or helpful at times. As such, I consider that some compensation for the upset and inconvenience Mr B suffered is warranted. Barclays has offered £400 in this regard and, having considered the circumstances carefully, I am satisfied that is an appropriate and proportionate sum.

Mr B has also mentioned the waiting times to get through to Barclays were excessive. Interest rates started to increase toward the end of September 2022, and so many people were looking for assistance and to secure new rates at that time. Lenders were very busy across the board and there were long waiting times on phone lines and mortgage adviser

appointments were often booked weeks ahead. This is not something that Barclays could have predicted or prevented, so I can't find it did anything wrong because Mr B had difficulty speaking to it.

My final decision

Barclays Bank UK PLC has already made an offer to pay Mr B £400 to settle the complaint and I am satisfied this offer is fair in all the circumstances. As such, my final decision is that Barclays Bank UK PLC should pay £400 in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr B to accept or reject my decision before 29 February 2024.

Derry Baxter
Ombudsman