

The complaint

Mr and Mrs B's complaint is about a mortgage they had with Barclays Bank UK PLC. They are unhappy that Barclays mis-managed an interest rate switch on the mortgage and so they paid over £3,000 of additional interest before the mortgage was paid off. In addition, they are unhappy about the delivery of a large amount of documentation they didn't want, following a request for information. While in transit the packaging was damaged, potentially allowing others to have seen some of the information. In addition, they have reported the courier broke a lock to access the grounds of their property in order to leave the package.

In settlement Mr and Mrs B want Barclays to pay them £4,000 for the interest rate product complaint, made up predominantly of overpaid interest, and £4,500 for the complaint about the documentation provision, including the cost of replacing the lock.

What happened

Mr and Mrs B took out an interest-only buy-to-let mortgage on a rental property in 2017. The term of the mortgage was five years, and it had an end date of 16 April 2022. Attached to the mortgage was a fixed interest rate product, which ended on 31 May 2022.

Prior to the term of the mortgage ending Mr and Mrs B informed Barclays that they were intending to sell the mortgaged property. They made enquiries about what would happen if the sale didn't complete before the end date of the mortgage. They were told Barclays would monitor the account and effectively Mr and Mrs B could have slightly more time to complete the sale. They were also incorrectly told the month before the mortgage term ended that they could attach a new tracker rate product to the mortgage to replace the existing fixed rate product.

The mortgage term ended on 16 April 2022 and following this, Mr and Mrs B were again told they could attach the tracker rate product previously discussed to the mortgage. This error was corrected shortly thereafter, and the mortgage reverted to Barclays' standard variable rate (SVR) of interest for the remaining time the debt remained outstanding.

Mr and Mrs B complained to Barclays. It spoke to them by telephone in May 2022 and considered the complaint resolved.

In June 2022 Mr and Mrs B asked for some information about each of the mortgages they held with Barclays, including the one previously complained about. They wanted information about the terms of the mortgages, the interest rate products (start date, end date and term), when the last payment had been collected and a copy of the direct debit mandate. This request was dealt with by Barclays' 'GDPR team' and appears to have been treated as a data subject access request (DSAR), which resulted in a large amount of documentation being sent to Mr and Mrs B.

Mr and Mrs B have told us that when the package of documentation was delivered to their home it was left within the confines of their property, but where any visitors to the property could see it and the packaging was damaged. They've also told us that the courier damaged

a lock to gain access to the property. Mr and Mrs B complained, as they hadn't asked for the documentation that had been provided.

Barclays responded to the first complaint again in its letter of 11 August 2022. It acknowledged Mr and Mrs B had been given incorrect information about being able to have a new interest rate product for their mortgage. It apologised and offered them £350 compensation for the upset and inconvenience they had suffered. In relation to the information request, it said that its GDPR team would be responding.

The complaint about the provision of documentation was responded to in Barclays' letter of 20 October 2022. It didn't uphold the complaint as it considered it had simply sent them the information they had asked for. In relation to the condition of the package and the alleged damage to their property, Barclays said they should contact the courier.

Mr and Mrs B were not satisfied with Barclays' responses and asked the Financial Ombudsman Service to look into their complaint.

Following the complaint being referred to this service Barclays confirmed that a new interest rate product can be selected and added to an existing mortgage up to 180 days before the end of the term of the existing product, but at the time Mr and Mrs B were looking at their mortgage in the spring of 2022, that timescale was only 120 days. However, another requirement for a new product to be added to a mortgage is that it has to have at least a year of the term remaining.

One of our Investigators considered the complaint, but she didn't recommend that it be upheld, as she felt the offer Barclays had already made was appropriate in the circumstances. She also confirmed that Barclays was not responsible for the actions of the courier and Mr and Mrs B should raise their concerns about the condition of the package and the broken lock directly with the courier.

Mr and Mrs B didn't accept the Investigator's conclusions. They reiterated that they wanted Barclays to honour the tracker product they had been told they could have and which Barclays had adequate time to apply before the existing one ended. In relation to the matter of the courier company being responsible for the actions of its employee, they disagreed as Barclays had employed the courier to deliver something on its behalf.

Further correspondence was exchanged between Mr and Mrs B and our Investigator. However, the Investigator was not persuaded to alter her conclusions. As Mr and Mrs B remained unhappy, they requested an Ombudsman review the complaint.

I issued a provisional decision on 16 August 2023 in which I set out my conclusions about the merits of this complaint, and my reasons for reaching those conclusions.

'Before I comment on the specifics of this complaint, I believe it would be appropriate to set out some basic facts about the workings of Mr and Mrs B's mortgage. A mortgage of the type Mr and Mrs B arranged has a specified term, which does not alter unless there is a formal agreement between the parties to do so. So at the end of the term the whole balance owing is due to be repaid. If it is not the borrower is in breach of the contract entered into.

An interest rate product can be added to a mortgage, and the product will also have its own term, which is set separately from that of the main mortgage. Such products can often be replaced with another at the end of the term, but that is subject to the bank's lending criteria being met. However, a key point relevant to this case is that there has to be a live mortgage for the product to be attached to.

In Mr and Mrs B's case, by the time they asked for the tracker product to be attached to their mortgage, its term had expired, and it was not a live mortgage. This meant that they could not have a new product in May 2022. In addition, when they were first told they would be able to in March 2022, they weren't eligible either, as the mortgage term had less than a year remaining on it. So when Mr and Mrs B raised the issue of being able to have a new product to cover the time between the existing one expiring and the sale of the property, they should have been told it was not possible.

Barclays has accepted that Mr and Mrs B were given incorrect information, upheld the complaint and offered some compensation. Mr and Mrs B believe they suffered a financial loss due to the mistake. When considering if a financial loss has been suffered we attempt to establish what financial position a consumer would have been in had the mistake not happened. In this case, if the mistake hadn't happened, Mr and Mrs B would have been told in March 2022 that they couldn't attach a new product to their mortgage and that from the time the existing rate ended, they would pay interest at SVR. This is the financial position that Mr and Mrs B found themselves in, so I can't find that they suffered a financial loss because of the mistake, and I will not be making an award in this respect.

That said, it is clear that they made more telephone calls to Barclays than they otherwise would have, and the situation has caused Mr and Mrs B annoyance and inconvenience. The mistake clearly raised Mr and Mrs B's expectations, but it was only for a short period of time, as such, I consider the £350 offered by Barclays is appropriate and proportionate in the circumstances.

I now turn to the matter of the information request Mr and Mrs B made. They asked for a handful of basic facts about each of their mortgages, which would have been relatively easy for Barclays to answer. However, it appears that it decided to treat the request as a DSAR. I am not persuaded that was reasonable. Had the information request been responded to appropriately, Mr and Mrs B would not have been sent the large volume of documentation they were – it could have been dealt with in a single letter of a few pages at most. The provision of the documentation has clearly upset Mr and Mrs B, especially as they were not at home at the time, and so feel that with the damaged packaging anyone with access to the grounds of their home could have seen information about their finances. They have also said the courier broke a lock in order to access the place it left the package.

Mr and Mrs B believe that Barclays is responsible for the actions of the courier, given Barclays employed it to deliver the package. While I can understand why they believe this, that is not the case. Barclays employed a separate specialist business to provide a service. Barclays is able to expect that business to do what it is employed to do in a reasonable manner. If it does not, the specialist business is responsible for its own actions and failures. As such, I can't hold Barclays responsible for the condition of the package when it was delivered to Mr and Mrs B's property, where it was left or any damage the courier caused when accessing the property.

I would also comment that even if I were able to hold Barclays responsible for the actions of the courier in relation to the broken lock, I would still not be able to make an award in this respect. This is because firstly we have not been provided with any supporting evidence that it was the courier that damaged the lock. Secondly, I note that the invoice for installing a lock that has been provided doesn't specify where that lock was installed, and the work was paid for by a business rather than directly by Mr and/or Mrs B. We would only be able to reimburse expenses that Mr and Mrs B had personally incurred.

However, as I have said, I consider the information request was handled inappropriately and the ensuing events clearly caused Mr and Mrs B concern. As such, I consider Barclays should pay further compensation of £150.'

Both parties confirmed they had received the provisional decision. Barclays made no further comment and confirmed it accepted my conclusions.

Mr and Mrs B did not accept my conclusions and provided documentation, some of which we had not previously been given. They reiterated that they considered a new rate could have been added to their mortgage when they initially contacted Barclays in February 2022. Mr and Mrs B went on to agree with my conclusion that their information request was not dealt with as it should have been. They also highlighted that they were not made aware Barclays intended to send them the volume of information it did, and they were abroad when it did arrive. It was reiterated that the courier damaged their gate and that an individual who had witnessed this happening had offered to make a witness statement. Mr and Mrs B again disagreed that the courier company was responsible for the actions of its employee, rather than Barclays. They also consider that how the damage was paid for was immaterial.

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 note that Mr and Mrs B have reiterated that had the mortgage adviser acted in February 2022 when they first contacted Barclays, a new interest rate product would have been added to their mortgage. As I explained in my provisional decision, in order for a new rate to be added to the mortgage there would have needed to have been at least a year left on the term of the mortgage. As such, I remain satisfied that the mortgage moving on to SVR when the term of the fixed rate ended was always going to happen. The error in this case is not that the product Mr and Mrs B wanted was not attached to the mortgage, but rather that they were ever told that it could be. As such, they paid the amount of interest they should have, and the only settlement due them is compensation for the upset and inconvenience they suffered because they were given incorrect information and had their expectations raised. I remain satisfied the amount Barclays offered is appropriate in the circumstances.

I note Mr and Mrs B's feelings about the damage to their gate and that Barclays should be held responsible for it, but nothing they have said has changed my conclusions. I remain satisfied that it is the employer of the individual that caused the damage that is responsible for any damage he caused.

I have considered everything Mr and Mrs B and Barclays have said. I have reviewed the file again in its entirety and I have revisited my provisional decision in light of the additional documents Mr and Mrs B provided. Having done so, I am still satisfied this complaint should only be upheld in part.

My final decision

My decision is that I uphold this complaint in part. I require Barclays Bank UK PLC to pay Mr and Mrs B £500 compensation in total (including that which it had already offered).

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs B to accept or reject my decision before 27 October 2023.

Derry Baxter
Ombudsman