

The complaint

Mr A's complaint about Barclays Bank UK PLC (Barclays) relates to the breach of an agreement he made with Barclays concerning his mortgage repayment plan.

What happened

In the years prior to raising his complaint with Barclays, Mr A been struggling with health issues, both physical and mental, which in turn led him to miss mortgage payments and to mortgage arrears. On 25 March 2023 Barclays wrote to Mr A asking him to contact them immediately to discuss his mortgage arrears and to stop legal action.

Mr A contacted Barclays on 18 May 2023 to say he'd not received that letter. The Barclays' advisor he spoke to agreed a repayment plan and that no further action would be taken regarding Court proceedings. Also, that the legal costs incurred would be paid for by Barclays and not added to his account.

On 24 May Barclay's solicitors wrote to Mr A telling him that a Court hearing had been fixed for 30 June 2023 and that if he paid the arrears in full it could be adjourned. If the arrears couldn't be paid in full he was invited to contact them and make a proposal. He was also advised that additional legal costs incurred would be added to his mortgage. Receipt of this letter caused Mr A considerable distress and anxiety at an already difficult time for him.

Barclays explained that there had been an overlap between the date of their agreement with Mr A and then notifying their solicitors, which had led to the issue of the letter 24 May. Barclays explained this to Mr A and, telling him the hearing would be adjourned and that his account would not be charged with any legal costs.

Mr A was unhappy with Barclays's final response and so approached this service to see if we could assist in resolving the dispute. Our investigator thought that there had been poor service by Barclays', and it should pay Mr A £100 in compensation.

Mr A didn't agree and asked for the complaint to be passed to an Ombudsman 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.

My summary of what happened is brief and I know the parties went into a lot more detail. I'm going to focus on what I think are the key issues. Our rules allow me to do this, and it reflects the nature of our service as an informal alternative to the courts. So, if there's something I've not mentioned, it isn't because I've ignored it, it's because I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

Barclays have conceded that in breach of their agreement with Mr A, their solicitors wrote to him advising that a Court hearing had been scheduled and was going ahead. I can easily see how this mistake has happened, which is very unfortunate, especially so in the light of Mr A's pre-existing vulnerabilities which Barclays knew about.

Whilst Barclay's have provided an explanation, it does not address why it could not have been prevented. It is reasonable to expect Barclays to have a robust system in place to ensure that when an agreement is reached its solicitors are told immediately to stop this very type of issue arising. Especially, so when it is known that their customer suffers from poor physical and mental health.

I also accept that receiving a letter advising of an impending Court hearing for the repossession of your home, is certainly likely to be very worrying for most people. In this case I accept it is likely to have had an even greater impact upon Mr A because of his existing health conditions.

I issued my Provisional Decision on the 21 August 2023 and Mr A has responded. Barclays has not. Mr A has raised other issues and feels the level of compensation I suggested was insufficient. I shall deal with his further issues below.

Mr A has said he has further ongoing issues with Barclays, and I am sorry to hear about that. Those are however fresh issues, and I cannot deal with them. Should Mr A feel that the more recent correspondence he has received warrants a further complaint then he should make that directly to Barclays to give them the opportunity to respond. Similarly, his complaint about the direct debit issues also forms a separate complaint to that which I am now considering.

I do understand Mr A has trust issues with Barclays and I am aware of how he describes the impact of that on his mental health.

As I said in my provisional decision, the issue becomes whether the £100 award of compensation our investigator suggested, was fair and reasonable. I previously explained how this service considers the appropriate level of compensation so I shall not repeat it here.

I confirm that I have taken into account Mr A's pre-existing health conditions, and that the receipt of the solicitor's letter most likely had a greater impact on him than a person who did not have those issues. I also take into account that any award for the trouble and upset caused needs to be balanced and measured against the ups and downs of life which we all face when dealing with other people, businesses, and organisations.

Putting things right

Having reconsidered all the evidence and Mr A's further comments, I remain of the view that the relevant category for this this complaint is in the category for an award of over £300 and up to around £750. I accept that the impact of Barclays mistake caused considerable distress, upset, and worry since it involved from Mr A's perspective the potential loss of his home and increased legal costs being applied to his account. Whilst typically this bracket is commonly used in cases where the impact lasts over many weeks or months, I do think it is appropriate in this case because it had a serious short-term impact

Accordingly, I do feel that my provisional view that £400 compensation ought to be paid is fair and reasonable

My final decision

My final decision is that Barclays Bank PLC should pay Mr P £400 to reflect the trouble and upset caused to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 27 October 2023.

Jonathan Willis
Ombudsman