

The complaint

Mr D complains that Barclays Bank UK PLC won't help him in a dispute with a housing association.

What happened

Mr D has a mortgage with Barclays. His home is shared ownership and he pays rent to a housing association for the share of the property it owns.

Mr D said that he is in dispute with the housing association about staircasing and the level of the rental payments. He wants Barclays to do more to help him sort it out and to make the rental payments. Mr D said he wants to correspond by email as he is abroad and he wants to have a record of what is discussed. Mr D is worried that he'll not be able to pay the mortgage and will lose his home. He said that he is "near a nervous breakdown" because of the difficulties he has communicating with Barclays.

The investigator did not think the complaint should be upheld.

Mr D did not accept what the investigator said. He made a number of points, including:

- Barclays did have an email address it could use to communicate with customers – and he had used it.
- Barclays had offered to pay the rent to the housing association – but then refused to do so unless the housing association contacted it about rent arrears. We should hold Barclays to its offer.
- He had never asked us to get involved in a dispute with the housing association.

Barclays said the email address Mr D had wasn't valid and the only way he could communicate with the relevant department was by phone or post.

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.

Paying the rent

The terms and conditions of the mortgage say:

"You agree to do the following: To make any payments relating to your property on time, for example service charges, ground rent and rent charges. We may make any such payments on your behalf if you have failed to make them within a reasonable time in which case we will add them to your outstanding loan."

Under the terms of the agreement Barclays can make any rental payments to the housing association that were not made on time by Mr D – but it does not oblige it to do so.

Barclays has said that if Mr D does not pay the rent and the housing association tells it that there are rent arrears it would usually make the payment and add that to the mortgage balance. But as things stood the housing association had not contacted it.

Barclays also gave us an extract from its “forfeiture of lease” policy. But the extract it has provided is specifically about non-payment of ground rent and service charges. Nevertheless, Barclays’ security is at risk if Mr D does not pay the rent that is due. While it would not be unreasonable for Barclays to make any missed payments to protect its security, there is no obligation for it to do so – that is a decision for it to make.

As Barclays had not received any notification from the housing association regarding non-payment of rent or any further action against it is intending to take against Mr D. So I don’t consider the decision made by Barclays was unfair or unreasonable. And there is no requirement for Barclays to get involved in Mr D’s dispute with the housing association

Did Barclays mislead Mr D?

Mr D said that Barclays initially told him on the phone that it would pay the rent and add it to his mortgage only to go back on what it said. It subsequently sent its final response which said it would only make the payment if Mr D asked the housing association to ask Barclays to make the payment.

Barclays has said that there is no record of it telling Mr D that it would make the payments. It has given us copies of its note of the conversations and a recording of a conversation it had with Mr D. I can see that this matter is discussed, but they do not support that Barclays told Mr D that it would pay the rent for him. On balance, I’m not persuaded that Barclays told Mr D it would pay the rent for him.

In saying that, it does not appear that Barclays’ final response is entirely accurate. It suggests if Mr D contacts the housing association he can ask it to contact Barclays and make the rent payments for him. It seems unlikely that this was a viable proposal. First, Mr D told Barclays he’d not missed any rent payments – so I can’t see why a housing association would ask a mortgage lender to make the payment. Second, Barclays knew that Mr D was in dispute with the housing association. And third, if Barclays does pay the rent for him, it will increase the balance of the mortgage and attract interest.

Barclays has also accepted that it had failed to give Mr D clarity on its process, delayed responding to Mr D and provided poor service. But looking at everything, I consider its offer of £200 is fair.

Communication

The events I am looking at are all before 31 July 2023. Barclays said that if Mr D needs to contact its “customer home assistance team” then it should do so by phone or post. That is not unreasonable. It said the email address he provided is no longer valid.

In saying that, in the recording of the conversation Barclays has provided it talks about an email it received from Mr D. So it has accepted emails from Mr D in the past.

Overall, looking at the communication there was up to May 2023, I don’t consider Barclays has acted unfairly. The communication channels it offered were sufficient in the circumstances.

But this is an ongoing matter. There may be circumstances where it should adjust the way it communicates to help Mr D. If Mr D does make such a request, then Barclays should try to

understand why Mr D is asking for adjustments and carefully consider whether there is anything to can do to accommodate the request or offer something else that helps Mr D.

My final decision

My final decision is that Barclays Bank UK PLC should pay Mr D £200.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 April 2024.

Ken Rose
Ombudsman