

The complaint

Ms G complains that Barclays Bank UK PLC unfairly provided adverse credit information to credit reference agencies (CRAs), because it failed to keep her informed of short payments to her mortgage by her ex-husband.

What happened

In 2018, Ms G and her then husband took a mortgage with Barclays for approximately £180,000. The mortgage was set up on a capital repayment basis over a term of approximately 27 years and had a three-year fixed rate.

Ms G says, following the breakdown of her marriage, she informed Barclays of her new address in November 2019, and in January 2020, her ex-husband used previously made overpayments to make the contractual monthly payments (CMP). She says, in October 2021, a court ruled that her ex-husband would remain in the property and would make all mortgage payments due under the Barclays mortgage.

In January 2022, Barclays agreed a payment arrangement with Ms G's ex-husband. Ms G says Barclays sent her notification of that but made no reference to reporting to CRAs. She says mortgage payment letters were sent to her ex-husband in January, February, April and May of 2022, but not to Ms G. But Barclays did send her a 'mortgage arrears options' letter dated 17 May 2022. Ms G says she first heard about the payment arrangement on receipt of Barclays letter dated 17 May 2022. Barclays also sent Ms G a quarterly arrears statement, dated 2 July 2022. She says, following receipt of both those letters she spoke to her ex-husband, and he assured her she should ignore the letters as he would resolve the matter.

The mortgage account was brought up to date in July 2022. Also in July 2022, Ms G applied for a mortgage in principle with another lender. That was declined so she checked with CRAs and found five adverse credit markers on her file – added by Barclays in respect of her mortgage account. Ms G called Barclays' complaints helpline and says the response was unhelpful. She says she became extremely upset at that point and the matter began to cause her a huge amount of stress. Following that she had numerous interactions with Barclays via various media but gained no satisfaction.

During a telephone conversation with Barclays in September 2022, Ms G says she was told, while Barclays updated her bank account address in 2019, it had failed to update her mortgage account details.

Barclays wrote to Ms G with its final response letter on 14 October 2022. It said, where there is no dispute marker on an account, it can accept the authority of only one person on a joint mortgage to agree a payment arrangement. Barclays said the adverse credit reporting in that regard was correct, so will not be removed. However, Barclays did acknowledge that its mortgage system was not updated with Ms G's new address when it updated its banking system. But it also said, as she was still a joint party to the mortgage, Ms G should have monitored the account – so contacted Barclays when she stopped receiving statements. In recognition of a *"very poor experience overall"*, Barclays offered Ms G £400.

Dissatisfied with Barclays' final response, Ms G asked us to consider her complaint. In her explanation of her complaint to us, Ms G told us of her concerns as outlined above, but also said she's unhappy with how Barclays has handled her complaint and that it has offered her ex-husband a new mortgage but declined her.

Our investigator didn't uphold Ms G's complaint and thought Barclays' offer of redress was fair in respect of Barclays' failure to change Ms G's address on its mortgage system and general poor service. However, she said, given that Ms G remained a party to the mortgage after she changed address, she would expect Ms G to have monitored the account closely to ensure the CMP had been maintained. And she said Barclays has a responsibility to accurately report payment history to CRAs. So, as Barclays has done that, our investigator said she cannot ask Barclays to remove adverse credit markers.

Ms G did not agree. She said her ex-husband had persuaded the court that he could maintain the mortgage payments and the court then ruled that those payments were his responsibility. Ms G said she had no control over the mortgage payments not being made and due to the adverse credit markers submitted by Barclays, she is unable to obtain a mortgage with her new partner or deal with rental properties she still has with her ex-husband. That, in turn, is having a detrimental impact on her mental health.

As Ms G disagreed with our investigator, her complaint has been passed to me for a decision.

It's worth noting, before I outline my decision that, while the complaint has been with us, Barclays did say it would remove the adverse credit markers from Ms G's credit file. However, it failed to do that and now says it wouldn't be appropriate for it to do so.

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.

To decide Ms G's complaint, I've thought about whether Barclays reported fairly to CRAs with regard to payments made to Ms G's mortgage account. And I've thought about whether Barclays' offer of redress was reasonable given its failure to update its address system and its wider handling of the matter. I'll also comment on other matters Ms G has mentioned.

Barclays reporting to CRAs

Barclays has acknowledged that, on balance, it's likely that it didn't update its mortgage system when Ms G informed it of her new address. The evidence suggests that failure led Barclays to only send letters relating specifically to the mortgage to her ex-husband, at Ms G's previous address. I think the most significant of those letters was the letter confirming the payment arrangement requested by her ex-husband in January 2022.

I've seen that Ms G has concerns about Barclays agreeing to the payment arrangement without her knowledge, so I'll comment on that here. Her mortgage terms and conditions allow Barclays to take instruction from one party of a joint mortgage for such things as payment arrangements. I understand that Barclays was aware of the breakdown of the marriage and that, for a brief time, there was a marital dispute marker on Barclays' records. But, as that was removed with the agreement of both parties and was not in place at the time of the payment arrangement request, I think it was reasonable that Barclays proceeded on Ms G's ex-husband's instruction.

When considering the action a business may need to take to resolve a complaint, it's important for me to consider the consequences of any errors it may have made. To do that, I'd consider what is likely to have happened, had the business not made the error(s) it did – mindful of all the available evidence.

When I initially looked into Ms G's complaint, it appeared that Barclays' error led to Ms G being unaware that her husband had agreed a payment arrangement. And because she didn't receive a letter informing her of the arrangement, she couldn't have known of the effect on her credit file or had the opportunity to prevent the mortgage CMPs not being fully paid in the months that followed. So, I asked Barclays, informally, if it would remove the information it submitted to CRAs to resolve Ms G's complaint. Barclays declined to do so as it maintained that the information had been submitted accurately and fairly. I therefore considered everything again to make a formal decision.

Barclays wrote to Ms G and her ex-husband on 25 January 2022 at the mortgaged property address. Ms G says she did receive confirmation of the payment arrangement but that didn't mention the impact on her credit file. The copy of the letter I've seen does mention the impact that a payment arrangement would have on credit files. I've not seen that version of the letter addressed to Ms G at her new address, so I've assumed that she didn't receive a notice outlining the impact on her credit file.

However, Ms G has told us that Barclays wrote to her at her address on 17 May 2022 – the first time she heard about the impact of the payment arrangement. She says she contacted her ex-husband about that because she was concerned and shocked. And that he assured her that was a clerical error which she should ignore.

So, when weighing-up what action Ms G would likely have taken had she received Barclays' letter confirming the payment arrangement in January 2022, I must consider the action actually taken by Ms G when she received a letter about the same matter giving her cause for concern. That evidence indicates that, on the balance of probabilities, and without contrary evidence, Ms G would have sought reassurance from her ex-husband that the matter was being dealt with – rather than contacting Barclays.

My conclusion in that regard is supported further by Ms G saying she received a quarterly arrears statement on 2 July 2022 and again sought reassurance from her ex-husband, rather than addressing the matter with Barclays. It wasn't until having a mortgage decision in principle application rejected on 22 July 2022 that she contacted Barclays and started the complaint process.

Based on what I've seen, in particular what Ms G says about what happened, I'm not persuaded Ms G would have taken the action required to prevent the arrears that built up from January 2022, even if Barclays had sent her a copy of the letter confirming the impact of the payment arrangement. The evidence suggests it's more likely she would have sought reassurance from her ex-husband about the matter. Ms G didn't take action until she applied for a mortgage decision in principle in July 2022. I haven't seen any evidence to suggest Ms G would have applied for a decision in principle before then, had she been informed of the impact of the payment arrangement in January 2022.

As I don't think Ms G would have taken any action before 22 July 2022, I also don't think the adverse credit reporting would have been avoided had Barclays informed Ms G of the impact of the payment arrangement in January 2022. So, I don't think Barclays' error caused the arrears on Ms G's mortgage and I don't think Barclays should alter its reporting of those arrears to CRAs.

Barclays offer of redress

When we consider what action a business needs to take if we find it has made an error or omission, we generally look at two areas. Firstly, how it should put right what's gone wrong – should we find its error or omission was the cause of what's gone wrong. I've addressed that in the above section. Secondly, we think about the distress, inconvenience, trouble or upset it has caused the consumer. In that regard Barclays has offered Ms G £400. I understand that award is to compensate Ms G for the impact of its failure to change her address on its mortgage system and its handling of her complaint.

With regard to Barclays' handling of her complaint, Ms G says Barclays misunderstood her complaint; addressed the complaint using factually incorrect points; didn't answer all the complaint points; took too long to address the complaint; referred to her ex-husband as her husband in a complaint response; and trivialized areas of her complaint.

I understand Ms G has found this whole process distressing – she's made a point of saying how it's affected her mental health. And I can see from the process she's described that a significant portion of that distress may be attributed to Barclays' complaint handling. We don't usually consider complaints about complaint handling. And, in this case, Barclays' complaint handling hasn't influenced or delayed the outcome of the main complaint. I say that because Ms G's ex-husband brought the mortgage account up to date at a similar time to when Ms G initially made her complaint, and I haven't found that Barclays should remove the adverse credit information it submitted to CRAs. That means Barclays' handling of her complaint hasn't exacerbated the damage done by the issue that forms the main basis for Ms G's complaint – its failure to update her address record and the payment history it shared with CRAs.

With regard to Barclays' failure to update its mortgage system with Ms G's new address and not keep her properly informed as a result, I can see that's had an impact on Ms G. While I think it's likely Ms G's credit file would have been affected in the same way in any event – as I've explained above – I think it has caused her some distress and inconvenience. But, while I am mindful that a part of Barclays' offer appears to cover its handling of the complaint, I think the offer is reasonable in terms of the distress that its error caused Ms G. I say that because £400 is more than I would ordinarily award for Barclays' error in similar circumstances. So, I won't ask Barclays to increase its offer to resolve this complaint.

Barclays' decision to lend to Ms G's ex-husband but not her

I understand that Ms G may feel that Barclays has acted unfairly if it has agreed a mortgage for her ex-husband, but will not agree one for her, given that the adverse information it submitted to CRAs applied to both of them. However, the information it submitted to CRAs is one factor among many that will influence its lending decision.

Aside from the fact that I'm not aware of all of Ms G's circumstances, her ex-husband is not a party to this complaint. That means we do not have his consent for Barclays to share information about him with us. So, in practical terms, I'm not in a position to compare circumstances to assess the relative fairness of Barclays' lending decision. And, because we don't have consent from Ms G's ex-husband, it wouldn't be appropriate for me to consider whether Barclays lent to him fairly. I'll therefore not consider this issue further.

Summary

Overall, I have seen that the series of events outlined above have caused Ms G some distress and I know she's deeply concerned about the impact on her credit file. But I'm not persuaded by the evidence available that her credit file would have been affected differently had Barclays updated her address on its mortgage system. I say that because I don't think

anything Barclays has done would have changed Ms G's ex-husband's decision to apply for a payment arrangement. And I think it's more likely than not that Ms G would have sought her ex-husband's reassurance rather than contact Barclays, had it written to her about the impact of the payment arrangement in January 2022 – based on the evidence available.

I also think Barclays offer of £400 to compensate her for the distress and inconvenience caused is reasonable overall.

My final decision

My final decision is I don't uphold Ms G's complaint about Barclays Bank UK PLC, but it should pay her the £400 it has offered to resolve her complaint, if it hasn't done so already.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 23 February 2024.

Gavin Cook
Ombudsman