

## The complaint

Mr and Mrs O complain that Barclays Bank UK PLC did not put in place an interest rate switch they'd agreed.

## What happened

Mr and Mrs O have a mortgage with Barclays. The mortgage is in two parts. On 17 July 2022, they applied to switch the interest rate product on part one of their mortgage to a tracker rate 0.99% above the Bank of England base rate (the base rate) for two years. They were told that they would get a "mortgage pack" within 10 days. But despite repeated requests and assurances the new rate was not in place by November 2022. As a result, I understand that Mr and Mrs O were paying Barclays standard variable rate (SVR) on part one.

In November 2022, Barclays responded to Mr and Mrs O's complaint. It said it would send a mortgage pack and once that was completed it would be processed and backdated with any additional fees refunded. It also offered Mr and Mrs O £150.

I issued a provisional decision inviting both sides to comment and provide any additional evidence if they wished. My provisional findings, which form part of this complaint, were:

*I'd note that I don't have all of the information I would usually expect to consider a complaint such as this. I'm not going to delay things further by going back to Barclays for clarification. But my provisional decision gives both sides the opportunity to tell me if my understanding is correct or not – and to provide any further evidence if they wish to support what they say.*

*There is no dispute that Barclays has made mistakes in administering the mortgage and it has accepted that. On the face of it, its offer to backdate the rate and to adjust Mr and Mrs O's mortgage is reasonable. It said that after adjusting the account Mr and Mrs O were due a refund of £108.78 and it has applied that amount directly to the mortgage. Mr and Mrs O think that amount is too low and Barclays has not provided a clear breakdown of how it got to that figure.*

*Barclays said that the monthly mortgage instalments are paid in arrears. So that meant that although part one of the mortgage did switch to SVR in November 2022, Mr and Mrs O did not make any payment for that amount.*

*Mr and Mrs O gave us a copy of their December 2022 bank statement showing they made a mortgage payment of £904.92. They believe that they were charged SVR for that month. When we put this to Barclays it disputed the amount that was collected. I think that was*

*because it was only looking at part one – not the payment due to both parts of the mortgage. But by my calculations the amount Mr and Mrs O paid was based on the tracker rate they wanted – and that is supported by the evidence that Barclays has provided. So I am not persuaded that the payment Mr and Mrs O made in December was calculated on SVR.*

*The error has led to Mr and Mrs O being charged too much interest in November 2022, but I can't see any evidence that ever actually made a payment to cover that interest. So they have not paid too much interest and are not due a direct refund to them rather than to the mortgage. It appears the loss was limited to the interest that was applied to their mortgage in November 2022.*

*Like Mr and Mrs O I do not understand how Barclays has reached a figure of £108.78. It is not clear how many days Mr and Mrs O paid interest at SVR – but on the face of it I agree the refunded amount looks too low. Barclays should provide a clear breakdown of the dates Mr and Mrs O paid SVR and how it reached the figure it did. It should bear in mind that it is presenting these figures to consumers – it should do so in a clear and accessible way. A screenshot from its systems will not be adequate.*

*Mr and Mrs O have said that Barclays has not properly backdated the interest rate product. They said that both parts of the mortgage now have incorrect start/end dates. Barclays should make sure that the dates are correct and that its systems reflect that.*

*In regard to distress and inconvenience. It is clear that Mr and Mrs O experienced a lot of inconvenience in trying to put things right. They had to carry out the same actions and chase up Barclays numerous times for around four months. Mrs O also had the inconvenience of spending a number of hours on a fruitless visit with her new-born child to her local branch in an attempt to resolve things.*

*Mr and Mrs O also had the stress of trying to sort things out for around four months. They've said it has caused them sleepless nights. Looking at how we make awards of compensation for distress and inconvenience, the length of time this matter dragged on for and the impact on Mr and Mrs O I consider it would be fair for Barclays to pay them £400 to reflect that and to cover any incidental costs – such as recorded post.*

Mr and Mrs O accepted my provisional findings. Barclays agreed to pay £400 for any distress and inconvenience Mr and Mrs O suffered. It provided a screenshot which it said showed that the interest refund due was £222.98 and that had already been refunded. We put what Barclays said to Mr and Mrs O and they didn't want to dispute that matter any further.

### **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.

In my provisional decision I said *"Barclays should provide a clear breakdown of the dates Mr and Mrs O paid SVR and how it reached the figure it did. It should bear in mind that it is presenting these figures to consumers – it should do so in a clear and accessible way. A screenshot from its systems will not be adequate."*

Despite that Barclays did not provide a breakdown of the dates Mr and Mrs O paid SVR or a sufficiently clear explanation how it reached the figure it did and it only gave us what appears to be a screenshot to justify its calculations.

I also note the figure Barclays arrived at of £222.98 is different from the amount it told us it

had refunded on 28 April 2023 of £225.88. I apologise for missing the increased offer in my provisional decision.

Nevertheless, it appears that Barclays has already refunded the higher of those amounts (if not is should do so) and Mr and Mrs O have told us they accept that amount. It is also in line with my own rough calculations. So I don't think there is anything else that needs to be done in respect of the interest.

As both sides have accepted my provisional decision, I see no reason to depart from the conclusions I reached.

### **My final decision**

My final decision is that I uphold this complaint. Barclays Bank UK PLC should pay Mr and Mrs O £400 in addition to the interest it has already refunded, as set out above.

Barclays Bank UK PLC must pay the compensation within 28 days of the date on which we tell it Mr and Mrs O accepts my final decision. If it pays later than this it must also pay interest on the compensation from the deadline date for settlement to the date of payment at 8% a year simple.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O and Mr O to accept or reject my decision before 30 November 2023.

Ken Rose  
**Ombudsman**