

## **The complaint**

Mr and Mrs P complain about the way that Barclays Bank UK PLC has treated them when the term of their mortgage ended – and that it incorrectly recorded a Cifas marker against Mrs P.

## **What happened**

Mr and Mrs P had an interest only mortgage with Barclays. The term ended in 2017. Mr and Mrs P complain about the way that Barclays dealt with them once the term had ended. They said that Barclays did not respond to the offers they made and that it threatened to repossess the property when they were close to repaying the mortgage.

Mrs P arranged a new mortgage in her sole name in March 2022. But that application was declined because Barclays had recorded a Cifas marker against her.

In its final response of 1 September 2022, Barclays said that the Cifas marker was removed on 31 August 2022 and that Mrs P should allow 28 days for the information to clear from her credit file. Mrs P arranged a new mortgage in September 2023.

I issued a provisional decision that said I intended to uphold the complaint. In summary, my provisional findings were:

- We couldn't consider a complaint about how Barclays treated Mr and Mrs P after the term of the mortgage had ended. That was dealt with in a final response of 19 April 2022 – but the complaint wasn't referred to us until 14 March 2023. That was outside the time limits in our rules, Barclays had not consented to us dealing with the complaint and there were no exceptional circumstances that prevented Mr and Mrs P complying with the time limits. For the period we could look at, the evidence did not support that Barclays treated Mr and Mrs P unfairly or took unreasonable action bearing in mind the position of the mortgage.
- Barclays had accepted it recorded a Cifas marker against Mrs P in error.
- The evidence we have supported that Mrs P's March 2022 mortgage application was declined solely because of the Cifas marker that was recorded in error. Barclays should meet any costs that were incurred as a result of the aborted application – and pay interest at 8% simple per year on those amounts until date of settlement.
- Barclays should refund any fees and charges it has applied to the mortgage since March 2022 as Mr and Mrs P could have avoided those fees but for Barclays' mistake.
- Barclays did not remove the Cifas marker until late August 2022 – and it told Mrs P to wait until late September before applying for another mortgage. So there was nothing she could do until then.
- It took Mrs P until September 2023 to arrange a new mortgage. Barclays was responsible for the first seven months of that delay. And I was satisfied that Mrs P's

health problems made pursuing and completing the applications difficult – that was why the application she made in March 2023 did not proceed. But taking her personal circumstances and health into account – and bearing in mind that the mortgage she has arranged was cheaper – I thought it was fair in the circumstances for Barclays to pay the difference between the interest rates on the March 2022 and September 2023 applications.

- Barclays should pay Mrs P £900 for any distress and inconvenience. That reflected she would have been upset and embarrassed when the reason was given to the broker why her initial application was declined. She also was essentially stuck with Barclays without being able to obtain a new mortgage for around six months. There was also clearly damage to her reputation because of the information recorded on her credit file over a period of five years. Mr P said that the issue with the Cifas marker has had a detrimental impact on Mrs P's mental health. I don't have any evidence that it was the sole or primary cause of that – but I accept it would have contributed to it. So there was around six months of substantial distress, upset, worry and suffering – and that included longer term damage to Mrs P's reputation.
- Barclays should pay Mr P £250 to reflect the worry and inconvenience of having to deal with this issue and the impact on his relationship with Mrs P.

I proposed that Barclays should:

- Refund all costs that Mr and Mrs P incurred as a result of the aborted application in or around March 2022. Mr and Mrs P will need to provide evidence that any costs they are claiming were paid by them.
- Pay interest on the above amount at 8% simple per year from the date each payment was made until date of settlement.
- If the Barclays mortgage is repaid and Mrs P go ahead with the offer dated 25 September 2023 by its expiry date of 30 April 2024, pay as a lump sum, the difference between the interest Mrs P will pay over five years with a fixed interest of 5.46% and 1.84%, which is what she would have paid had the Cifas marker not been recorded.
- Pay Mrs P directly £900 for any distress, inconvenience, suffering and damage to reputation.
- Pay Mr P £250 for any distress and inconvenience.

Both Barclays and Mr and Mrs P accepted my provisional findings. Mr and Mrs P added they were intending to add the solicitors' fees to the new mortgage and that they had amended their mortgage offer to a new, cheaper interest rate of 4.78% fixed for five years. They explained that Mrs P's broker arranged a new interest rate when cheaper rates became available on the market – but Mrs P intends to complete on the new mortgage by April 2024.

### **.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.

Both sides have accepted my provisional findings. And I see no reason to depart from the conclusion I reached, as set out above.

I consider that Mrs P lost out on a mortgage with an interest rate of 1.84% (not 1.64% as stated in my provisional decision) because Barclays had incorrectly recorded a Cifas marker against her. It also meant she could not apply for another mortgage for some time.

While Mr and Mrs P had a duty to mitigate their loss, I consider there are good reasons for the delay in arranging a new mortgage until September 2023. They have also taken steps to reduce their loss by arranging another new, lower interest rate in the January 2024 offer. But looking at the circumstances as a whole, I think it is fair that they must take steps to repay the Barclays mortgage and out the new mortgage in place by 30 April 2024 at the latest. That reflects that even taking into account the individual circumstances of this complaint, that is ample time for the new mortgage to be put in place. It would be difficult for me to conclude that any further delays could fairly be attributed to Barclays.

Mr and Mrs P have told us that solicitors' fees have been added to the mortgage – it's not clear that those fees relate directly to the aborted March 2022 application. For the avoidance of any doubt, my decision is that Barclays should only meet any costs related directly to the aborted March 2022 application. There is no basis for me to say that it should meet any other legal costs in arranging a new mortgage or in relation to any other matters that would always have had to be paid by Mr and Mrs P. I say that because there would always have been some legal fees paid by Mr and Mrs P in arranging a new mortgage.

### **My final decision**

My final decision is that Barclays Bank UK PLC should:

- Refund all costs that Mr and Mrs P incurred as a direct result of the aborted application in or around March 2022. Mr and Mrs P will need to provide evidence of any costs they are claiming and that they were paid by them.
- Pay interest on the above amount at 8% simple per year from the date each payment was made until date of settlement.
- Refund any fees and charges applied to the mortgage from March 2022 until the mortgage is repaid or 30 April 2024 – whichever is earlier.
- If the Barclays mortgage is repaid and Mrs P go ahead with the offer dated 10 January 2024 – or another mortgage offer with an interest rate the same or lower than 4.78% fixed – by 30 April 2024, pay as a lump sum, the difference between the interest Mrs P will pay over five years with a fixed interest of 4.78% and 1.84%, which is what she would have paid had the Cifas marker not been recorded.
- Pay Mrs P directly £900 for any distress, inconvenience, suffering and damage to reputation.
- Pay Mr P directly £250 for any distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P and Mrs P to accept or reject my decision before 22 February 2024.

Ken Rose  
**Ombudsman**