

The complaint

Mr H's complaint is about the five-year 1.63% fixed rate mortgage he took out with Barclays Bank UK PLC (Barclays). Mr H believes it should run for five years from the day of completion and not end on 31 July 2025.

What happened

Mr H has said that he took out a five-year fixed term mortgage in December 2020 but when he later checked his online mortgage account he noticed that the five-year term was due to end on 31 July 2025, some five months earlier than he had expected.

On 28 October Barclays provided Mr H with a written mortgage offer which he accepted. The main features of the loan, which are set out in section three of the offer, show that the loan duration was for a period of 40 years on a fixed rate from the day of completion until 31 July 2025, after which the rate to be applied was Barclays' variable rate which varied in accordance with changes to the Bank of England Base Rate.

Barclays say the legal completion of Mr H's mortgage occurred on 14 December 2020, although I note Mr H puts it slightly later. In the circumstances of this complaint that difference is not material. Barclays say they made it clear in the mortgage offer when the fixed rate period would end, and as such do not consider they have done anything wrong.

Mr H was unhappy with Barclays' final response and so approached this service to see if we could assist in resolving the dispute. Our investigator thought that Barclays hadn't done anything wrong and had dealt with the complaint fairly.

Mr H 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.

I know the parties have provided a lot more detail than set out in my summary, but I have focussed on what I see as the key issues, because it reflects the nature of our service. We are an informal dispute resolution service and an alternative to taking Court action. So, if I've not mentioned something then this isn't because I've ignored it, it's simply because I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

Naturally, I have considered the views of both Mr H and Barclays and all the available evidence. When I consider what is fair and reasonable, I consider the applicable law and regulations, any regulator's rules, guidance, standards or codes of practice. I also think about what the industry practice would have been.

The accepted facts are that in on 28 October 2020, Barclays made a mortgage offer to Mr H. That offer was open to acceptance by Mr H up until 26 April 2021. If Mr H didn't want to accept it he didn't have to. The offer explicitly stated how long the fixed rate element of the mortgage would last for providing a specific end date of 31 July 2025.

Mr H accepted the offer and in doing so accepted that it would end on 31 July 2025. It follows that Mr H cannot be said to have been unaware of the end date of the fixed rate period of the mortgage.

Furthermore, in the covering letter accompanying the mortgage offer, Barclays specifically drew Mr H's attention to the terms and conditions asking him to read and understand them before accepting the offer. The letter urged Mr H to contact Barclays if he had any queries about the offer or if he felt it contained any inaccuracies. I have seen no evidence that Mr H made such contact to raise the issue of the duration of the mortgage.

I am satisfied therefore that Mr H knew, when he accepted the mortgage offer, that the fixed rate element of his mortgage was going to expire on 31 July 2025 and thus I cannot say Barclays have acted unfairly because they made it very clear to Mr H when the fixed rate would come to an end. As a general point, applications for mortgages are dealt with on an individual basis and the terms of one mortgage can be very different to another. In Mr H's case the terms were made very clear to him in the offer dated 28 October and so there can have been no doubt as to the duration of the fixed term.

I do appreciate that Mr H has mentioned anecdotally his neighbour took out a fixed rate mortgage and was treated differently. I am afraid I cannot take this into account because I have seen no evidence of the circumstances or basis of his neighbour's mortgage, and it would be wrong to base my decision on mere assertion.

I can't say Barclays has acted unfairly or unreasonably here. I find Barclays have applied their terms and conditions correctly and followed their policy as they would in dealing with any other customer.

As I've not seen anything which would show that Barclays have acted unfairly towards Mr H I won't be upholding this complaint.

My final decision

For the reasons set out above I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 June 2024.

Jonathan Willis
Ombudsman