

The complaint

Mr and Mrs S complain that Barclays Bank UK PLC didn't deal with their product transfer application fairly. They ask for compensation.

What happened

Mr and Mrs S had a mortgage with Barclays. Their product was due to expire and they took mortgage advice from a third party broker in September 2023. The broker recommended they apply to Barclays for a five-year 3.39% fixed interest rate product.

The broker made an error when it submitted the product transfer application. The application had to be re-submitted, by which time interest rates had increased.

Our investigator said while Barclays made errors the main cause of Mr and Mrs S missing out on a lower interest rate was the error by the broker. He said Barclays should pay £200 compensation for the additional upset caused by Barclays errors.

Barclays agreed. Mr and Mrs S were unsure whether to agree pending the outcome of their complaint about the broker, which has been dealt with separately.

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.

Mr and Mrs S applied for a new product in September 2022. They already had a mortgage with Barclays and there seems no reason the product transfer shouldn't have succeeded. However, both Barclays and the broker made errors. I've set out briefly the key events.

- Mr and Mrs S's broker submitted a product transfer application on their behalf on 20 September 2022. The application was incorrect as it was in Mr S's sole name. It should have been submitted in Mr and Mrs S's joint names.
- Barclays was aware of the error by 26 September 2022. It sent a message to the broker. This was mis-addressed and wasn't received.
- Barclays withdrew the product on 3 October 2022.
- On 18 October 2022 the broker discovered the application hadn't progressed due to the error. The broker submitted a new application that day. The product rate was 5.69%.
- Barclays says the broker didn't submit a product sanction (to allow Mr and Mrs S to retain the 3.39% product). This is disputed by the broker which says it tried to contact Barclays' business development manager and didn't get a response. The broker then raised a complaint on behalf of Mr and Mrs S. Barclays sent a final response in December 2022, not upholding the complaint.

- Mr and Mrs S's product expired on 31 January 2023. They re-mortgaged with a new lender in February 2023. They have an interest rate of 5.60%

Barclays did make an error. It incorrectly addressed an email to the broker which might otherwise have made the broker aware of the error with the application in time to re-submit it before the product was withdrawn. But I don't think Barclays' error was the sole or main cause of Mr and Mrs S missing out on the lower interest rate product. And I think there's insufficient evidence that Barclays made errors in how it responded to the broker from late October 2022 such as to find this resulted in a worse outcome for Mr and Mrs S.

It follows that I don't think it's fair and reasonable to require Barclays to compensate Mr and Mrs S for being on a higher interest rate. But Barclays did make errors, and this caused Mr and Mrs S additional upset and inconvenience. It agreed to pay £200 compensation for this, which I think is fair and reasonable in the circumstances.

My final decision

My decision is that Barclays Bank UK PLC should pay £200 to Mr and Mrs S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 17 April 2024.

Ruth Stevenson
Ombudsman