

The complaint

Mr and Mrs S complain that Barclays Bank UK PLC has not treated them fairly once the term ended on their buy-to-let mortgage.

What happened

Mr and Mrs S have a buy-to-let mortgage with Barclays. It is interest only and the term ended in June 2019.

Mr and Mrs S complain that Barclays has not treated them fairly:

- It declined their request for a term extension.
- It would not switch the mortgage to Mrs S's sole name.
- They weren't told that Barclays had appointed Law of Property Act receivers.
- The action taken by Barclays wasn't fair.

The investigator did not think the complaint should be upheld. She said that the receivers were acting for Mr and Mrs S, not Barclays – so Barclays was not responsible for anything the receivers did or did not do. She thought Barclays' offer of £450 compensation was fair for any delays.

Mr and Mrs S did not accept what the investigator said. They made a number of points, including:

- The letter from Barclays dated 28 November 2022 doesn't say that Barclays had appointed receivers, only that it may do so.
- The letter should have included more information about who the receivers were and what they would do and whose responsibility it was to pay bills etc. If they had that they might have been better informed as to what their options were.

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'm aware that Mr and Mrs S have another ongoing complaint about Barclays. This decision only concerns the above complaints. I am satisfied that I can make a decision on this case without interfering in the outcome of the other complaint.

When Mr and Mrs S took out the mortgage, they agreed they would repay the mortgage balance by June 2019. So when they didn't do so they were in breach of contract. Of course, borrowers' circumstances can change. A lender acting fairly should understand that. It should exercise some forbearance where appropriate and consider any proposals the

borrowers put forward.

I'd note that I can only consider events up to February 2023 when the complaint was referred to us.

Changes to the mortgage

Mr and Mrs S asked Barclays to consider a term extension or for Mrs S to take on the mortgage in her sole name and extend the term. I can't see that a formal application was made for either option. Barclays said it would have declined both applications because of Mr and Mrs S's credit history and because of Mr S's age. It also said that Mrs S's income wasn't sufficient on her own. I am satisfied that Barclays has applied its usual lending policy and I don't consider that was unreasonable in the circumstances.

This is a buy-to-let mortgage. So there was no requirement for Barclays to waive its usual policy and consider whether extending the term of the mortgage was in Mr and Mrs S's best interests. But even if Barclays had thought about whether an extension was in Mr and Mrs S's best interests, I don't consider it likely that it would have concluded that a term extension was in their best interests. I say that because from the evidence available to me, there was no clear repayment strategy set out if Barclays did extend the term of the mortgage. I think it would be difficult for me to say that it would have been reasonable for Barclays to extend the term on that basis.

Receivers

Barclays gave Mr and Mrs S a reasonable amount of time before taking any action. It discussed their plans to repay the mortgage from at least 2019 until the receivers were appointed. The property only had a short lease, so Mr and Mrs S needed to raise funds to extend it before they could sell the property. But they struggled to arrange finance and none of their plans came to fruition. There had been no real progress from the term ending in 2019. So it was reasonable for Barclays to appoint receivers in late 2022. That was a legitimate step for a mortgage lender to take in the circumstances.

I consider the letter dated 28 November 2022 gave Mr and Mrs S adequate notice that Barclays may appoint receivers if the mortgage was not repaid within 14 days. The letter Barclays has given us is only addressed to Mrs S. It's not clear if that is because it only wrote to Mrs S or because it has not given us the letter it sent to Mr S. Nevertheless, that was not the only letter Barclays sent warning that it may appoint receivers. I'm satisfied Barclays took reasonable steps to tell Mr and Mrs S what was happening – the letter is correctly addressed and I see no reason why it would not have been sent.

I think Mr and Mrs S's point is that once receivers had been appointed, Barclays did not tell them it had done that. But Barclays has shown that it does not send a letter when receivers have been appointed. Nevertheless I am satisfied that Barclays gave Mr and Mrs S adequate notice of its intention and sufficient information about what would happen.

Even if I could find that Barclays did not do enough to tell Mr S what was happening, there is no evidence that would have made any real difference to Barclays' decision. I say that as Mr and Mrs S could not repay the mortgage and there were no concrete proposals to repay the mortgage. So in any event it was reasonable for Barclays to appoint receivers.

The receivers acted for Mr and Mrs S not Barclays. So Barclays was not responsible for anything the receivers did or did not do. The receivers aren't covered by our jurisdiction so I can't look at a complaint about them. And there is no evidence that the receivers were acting on direct instructions from Barclays.

Overall, I am satisfied that the action taken by Barclays was fair and reasonable in the circumstances of this complaint.

Barclay has offered Mr and Mrs S £450 for service issues. I consider this is fair.

My final decision

Barclays Bank UK PLC should pay Mr and Mrs S £450.

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 27 June 2024.

Ken Rose
Ombudsman