

## **The complaint**

Mr M's complaint is about the Mortgage Current Account (MCA) linked to his residential mortgage account with Barclays Bank UK PLC. Because of errors made by Barclays in reducing the MCA limit, adverse information was recorded on Mr M's credit file.

Barclays has agreed the MCA limit was reduced by mistake. The bank has removed the adverse entries, and offered Mr M £350 compensation. However, Mr M doesn't think this is insufficient. Mr M says that the adverse credit information affected the ability of a limited company of which he is a director (and which I will refer to as M3V) to refinance commercial borrowing. Mr M wants Barclays to pay compensation for the additional interest Mr M's company has had to pay as a result.

## **What happened**

I do not need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr M being identified.

In addition, Barclays has accepted it made a mistake, so I don't need to analyse the events in detail in order to determine whether or not something went wrong. All I need to decide is what the bank needs to do to put things right.

So for these reasons, I will instead concentrate on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

An Investigator looked at the complaint brought by Mr M. He noted Barclays had corrected the credit file and offered Mr M £350 compensation. However, the Investigator also thought Barclays should compensate Mr M for the additional interest his company would have to pay. The company had originally had a mortgage offer from a lender I will call SB dated 14 March 2023 for borrowing at an initial fixed rate of 5.99%. This offer was later replaced with one dated 11 December 2023 at an initial fixed interest rate of 7.24%. The Investigator thought that the new mortgage to M3V would have completed, but for the adverse information on Mr M's credit file.

Barclays didn't accept this and provided further arguments. Barclays said that the SB mortgage offer dated 14 March 2023 had to be completed by 12 April 2023, or it would expire. Barclays also said that in April 2023 no adverse information had been reported at that point.

Barclays also pointed out that the borrowing by M3V involved a number of properties, and there appeared to be issues with one (a HMO) and that enquiries about this were ongoing five months later. As a result, Barclays wasn't persuaded that it was at fault for the mortgage offer issued by SB in March 2023 not completing.

The Investigator looked at the matter again and, in the light of this further information, he didn't think Barclays was responsible for compensating M3V for any additional interest.

Mr M didn't agree and asked for an Ombudsman to review the complaint. Mr M said that the 5.99% interest rate product hadn't expired and that M3V's broker and SB were still working towards that rate. It was only in October 2023, after Mr M's credit file was amended, that SB said it wasn't able to go ahead with that interest rate.

### **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.

Having done so, I'm satisfied the offer made by Barclays of £350 compensation (in addition to the action it's already taken to amend Mr M's credit file) is fair and reasonable. I'm not going to order Barclays to do anything further, and these are my reasons.

I'll explain first that Mr M's complaint is about his residential mortgage. In this capacity, he is a 'consumer' as defined in our rules. The limited company of which Mr M is a director, M3V, is a separate legal entity in its own right. But M3V isn't Barclays' customer in relation to this mortgage account. So whilst M3V has no standing to complain about Mr M's mortgage with Barclays, if the sole reason why M3V wasn't able to complete the 14 March 2023 mortgage offer was as a result of the errors Barclays made on Mr M's account, I can award compensation to Mr M to cover this.

I acknowledge that Barclays made an error in reducing Mr M's MCA reserve, and I note this had an impact on his credit file, until the issue was resolved, which Mr M says was in October 2023. However, I'm not persuaded that Barclays is responsible for additional interest M3V will have paid as a result of the 14 March 2023 mortgage offer not going ahead.

I say this because the documentation provided by Mr M about M3V's mortgage application shows that, as well as the issues with Mr M's credit file, there were also issues relating to the two other directors of M3V which SB required to be clarified before the application could proceed. In addition, there were some issues around valuation of one of the properties M3V was offering as security.

I have not seen the entire broker's file for the M3V mortgage application – only selected documents provided by Mr M which he believes support his case. In particular I note that Mr M hasn't provided any evidence to support his contention that the 5.99% rate that expired on 12 April 2023 was still available after that date.

But on the basis of the evidence Mr M has provided, I'm unable safely to conclude that the only reason the mortgage offer dated 14 March 2023 didn't complete was as a result of Barclays' error. That's because, as I said above, it appears there were other factors that impacted the progress of M3V's mortgage application. In the circumstances, I'm unable to find that Barclays should be responsible for compensating Mr M for any additional interest M3V may have incurred.

### **Putting things right**

Barclays has reinstated Mr M's MCA reserve limit and removed the adverse information from his credit file. Barclays has also offered £350 compensation, which I am satisfied is fair and reasonable in all the circumstances, and is proportionate to the distress and inconvenience caused to Mr M as a result of Barclays' error.

### **My final decision**

As well as correcting Mr M's credit file, Barclays Bank UK PLC has already made an offer to pay Mr M £350 to settle the complaint and I am satisfied this offer is fair in all the circumstances. As such, my final decision is that Barclays Bank UK PLC should pay £350 in full and final settlement of this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 May 2024.

Jan O'Leary  
**Ombudsman**