

The complaint

Ms J complains about delays caused to her mortgage application by Barclays Bank UK PLC which prevented her moving into her new property in a timely manner.

What happened

Ms J applied to Barclays for a mortgage on a flat and Barclays issued an offer dated 14 March 2023. Ms J hoped to move in shortly afterwards, but this didn't prove to be the case. An issue arose about the balcony to the property. On 17 July, solicitors wrote to Barclays to say that the balcony land was inadvertently leased to a third party but noted that all parties were working to get a solution to the issue. Then on 31 July Barclays asked their surveyor for advice who replied to say that the mortgage couldn't proceed until the balcony issue was resolved. The mortgage offer was extended and then on 11 September the solicitors advised that there was now a solution to the balcony issue, this was confirmed with the surveyors and on 25 September, Barclays told the solicitors they could proceed with the purchase.

Barclays offered compensation of £350 acknowledging there were some delays during the process. Our investigator's view that Barclays was only responsible for minimal delays and the compensation offered was appropriate. Ms J disagreed and asked for a review.

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.

Ms J disagreed with our investigator's view and asked for time to consult her solicitor. I did provide an extension of time to allow her to do that, but I received no further submissions and am proceeding to consider this complaint on the basis of the evidence on the file. Barclays's role in this as a lender was to decide whether to lend money to Ms J and satisfy itself that the property Ms J was buying provided security for the borrowing. Barclays processed the mortgage offer in a timely manner. A difficulty arose over the security and in particular the legal ownership of the balcony. I note that the solicitors wrote to Barclays on 17 July 2023 to say that "*The Landlord has not been able to demise the balcony to Our Client nor have they been able to grant a right to use same, this is because the balcony land has inadvertently been previously leased to a third party*". The solicitor went on to say that all parties were working to rectify the situation but that at present "*The Property currently has no legal right to use the balcony annexed and this will be excluded from registration* "

Barclays replied, having consulted its valuer: "*We thank you for your letter dated 17/07/2023 the contents of which we have noted. If the property cannot legally benefit from the use of the balcony this is likely to adversely affect value. Therefore, the case should not proceed until this solution is satisfactorily resolved and a legal right for the property's use of the balcony established.*"

Barclays consulted its valuer and decided not to proceed until this issue was rectified. Ms J had been waiting to move in for some time and felt frustrated with Barclays that it gave her

different responses than it did to her solicitor and didn't take a common-sense view of the solution and that she was forced to sublet a property because of the delays.

Ms J's issue is one that I sometimes come across where the mortgage offer issues but there's something wrong with the title to the property and can be fixed but is not yet fixed. It seems that everyone here was working to a solution and Ms J was getting positive noises from Barclays but then was disappointed when she had to wait further until the matter resolved. It's clearly not Barclays fault that the property that Ms J was buying had an imperfect title. Nor would I expect Barclays to loan money on the property until the title had been perfected. Nor is Barclays at fault for the time taking to perfect the title. That's in the hands of the lawyers for the seller and their client.

Ms J says that Barclays could have helped her by accepting earlier a right to use the balcony, but I don't see that being offered to Barclays until 11 September 2023 when the solicitors tell Barclays that they have arranged that the property will be given an exclusive right to use the balcony serving the property. So, I see nothing wrong in Barclays requiring the title to be perfected before loaning the money and I don't consider that its requirements were unreasonable or caused unnecessary delays in the completion of the purchase. It does seem that Ms J's expectations weren't properly managed, and I consider that Barclays offer of compensation to her of £350 fairly reflects this but I don't require it to do anything more

My final decision

Barclays Bank UK PLC has already made an offer to pay £350 to settle this complaint and I think this offer is fair in all the circumstances.

So, my decision is that Barclays should pay Ms J £350.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 28 June 2024.

Gerard McManus
Ombudsman