

The complaint

Mrs H's complaint is about a mortgage she used to have with Barclays Bank PLC. She is unhappy with the amount of time it took for Barclays to send her a redemption statement. Due to the amount of time that the statement was taking, Mrs H went to her local branch for assistance, but says the staff refused to deal with her request, and she was spoken to aggressively. In addition, after the money to repay the mortgage was transferred to Barclays, it claimed a further payment from Mrs H's bank account, which made that account overdrawn. Furthermore, Barclays didn't repay the mortgage when it should have, as it had misplaced the funds.

Mrs H wants Barclays to pay her interest on the mortgage redemption moneys for the time it held them, but it didn't use them to repay the mortgage. She also considers the £500 compensation payment Barclays offered was inadequate.

What happened

Mrs H and her late husband took out their mortgage with Barclays in 2013. In January 2023 Mr H passed away. Mrs H has said she called Barclays in January 2023 to tell it and to confirm there was life assurance in place that would repay the mortgage. Barclays records show this call was received on 22 February 2023.

When Mrs H called in February 2023 she asked for a redemption statement. It was not until 13 March 2023 that a redemption statement was sent to her. In the meantime, Mrs H has told us she went to her local branch in the first week of March 2023 in order to see if it could produce her a redemption statement. She told Barclays at the time that the branch staff were very unhelpful and 'quite rude'. Mrs H expressed disappointment at that time that the branch was unable to generate something as simple as a redemption statement.

Mrs H transferred the necessary funds to clear the mortgage on 28 March 2023. When she didn't hear anything from Barclays, she contacted it on 17 April 2023 to question what was happening. She also confirmed that her bank account had gone overdrawn because a monthly mortgage payment had been taken. Barclays looked for the money Mrs H had paid to clear the mortgage, but could not locate it in the relevant account. It located the payment a few days later in the current account linked to the mortgage and transferred the funds to the mortgage account. The money was applied to the mortgage as at the date Mrs H paid it. As such, with two further payments having been collected that had not been calculated into the redemption amount, the account was in credit. This amount was refunded to her on 28 April 2023.

Barclays provided its final response to the complaint in a letter dated 6 June 2023 and upheld the complaint. It apologised for the distress the issues had caused Mrs H and her family. It offered Mrs H £500 compensation. In addition, it offered Mrs H compensatory interest of £10.36 on the refund it had already paid, due to the amount of time it took to refund those payments.

Mrs H was not satisfied with Barclays' response and referred her complaint to the Financial Ombudsman Service.

One of our Investigators considered the complaint, but he didn't recommend it be upheld. He was satisfied that Barclays had put Mrs H back in the correct financial position and that the £500 compensation was appropriate in the circumstances.

Mrs H said the offer of £500 in no way reflected the stress and anxiety Barclays had caused her. She said she was shocked and disappointed with the Investigator's conclusions and didn't think it was a fair offer of compensation. Mrs H subsequently confirmed when asked that she had been able to transfer money into the bank account from which the April 2023 mortgage payment had been taken and as such hadn't incurred any charges or costs because of the situation.

I issued a provisional decision on 27 March 2024, in which I set out my conclusions and reasons for reaching them.

'I would initially explain that when we award interest it falls into two categories. The first of these being where a consumer has been charged interest that they otherwise would not have, but for an error on the part of a financial business. The other is where the consumer has been deprived of the use of the money because of an error by the financial business. In this case, Barclays applied the money to the mortgage account as at the day it received it from Mrs H. This means that Mrs H was neither charged interest that she otherwise would not have been nor was she deprived of the money, as she would never have had access to it following the transfer. So in the circumstances, I can't agree with her request for interest to be paid on the money she transferred to repay her mortgage.

The other interest amount in this case is that relating to the refunded mortgage payments. The first of these payments would always have been collected due to the date Mrs H paid the redemption monies, but as it had not been calculated into the redemption figure, it should have been refunded sooner than it was. Of course the April 2023 payment would not have been collected at all had something not gone wrong. In the circumstances, I can only conclude that Barclays was right to pay interest on the refunded mortgage payments due to the delay in them being paid to Mrs H.

As such, I need to consider the matter of compensation. Barclays has offered Mrs H £500 for the upset and inconvenience it caused her. I need to consider whether that is enough, given the circumstances.

The majority of the upset and inconvenience Mrs H suffered was because the mortgage was not repaid when she thought it should have been and she believed the money to do so had gone missing. I can understand this was extremely upsetting and very worrying for her, however, it doesn't appear that this was due to an error on Barclays' part. The redemption statement gave the account details of the mortgage account ending in 228, but Mrs H paid the money to the mortgage current account ending in 172. As such, it doesn't appear that Barclays made the error that caused the money to be misdirected and so I can't ask it to compensate her for the upset that error caused.

That said, there was a delay in Mrs H being provided with a redemption statement in the first place. While I note that Mrs H has said she first contacted Barclays in January 2023, its records don't support it being that early. The first contact it had was 22 February 2023. It then took Barclays more than two weeks to provide her with the information she needed to be able to repay the mortgage. That is longer than I would usually expect for a redemption statement to be provided. In the circumstances, I think there cannot be any question this delay caused Mrs H additional upset in an already distressing situation.

Mrs H has also said that when the redemption statement was not received in a timely manner, she went into her local branch of Barclays where the staff were unhelpful and quite

rude. I can understand that Mrs H would have found the branch being unable to provide her with a redemption statement as unhelpful. However, if it was unable to do what she wanted, I can't find it at fault for not doing so.

As for Barclays' staff's attitude toward Mrs H, such things are always a matter of perception. It is not my role to make judgements on whether one person's perception of rude or unhelpful behaviour is more valid than another's. I don't disregard or make light of how Mrs H felt, but in the end, I have to decide if the general tone and content of the conversations had a material effect on the broader course of events regarding the mortgage redemption. Overall, I don't think they did.

Taking everything into account, as a significant amount of the upset and inconvenience Mrs H suffered in relation to repaying the mortgage doesn't appear to have been due to an error on Barclays' part, I think the amount it has offered in compensation is appropriate and proportionate in the circumstances.'

Both parties acknowledged receipt of the provisional decision. Mrs H said she felt she was not being heard and was being ignored. She said it took Barclays from 28 March to 27 April 2023 to find the money she had paid it, not a few days, and there was no reason for it to have taken a month for the money to be applied to the mortgage account. She also reiterated that she considered she had been treated throughout by Barclays with a lack of respect and in an unprofessional manner. In addition, Mrs H considered the compensation offered was an insult and was not adequate for all the stress that was applied to her through no fault of her own. She said that the whole way the matter was handled was a disgrace and unprofessional.

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 have considered everything Mrs H has said. I have also reviewed the file again in its entirety. Having done so, I remain satisfied the offer Barclays made is appropriate and proportionate in the circumstances.

Mrs H has stated that it didn't take Barclays a few days to locate the money – it took a month. When I said it took Barclays a few days to locate the money, that was from the point Mrs H raised concerns about the mortgage not having been paid off. It was not Barclays' fault the mortgage was not paid off when Mrs H intended. As I explained in my provisional decision, Mrs H didn't pay the money to the mortgage account, but rather she paid it to the linked current account. That was not Barclays' fault and until Mrs H told it she thought something was wrong, it wouldn't have known she'd made a mistake. That mistake was also the reason the April 2023 mortgage payment was collected. So the stress Mrs H suffered because of the mortgage not being paid off, worrying that the payment had gone missing, the collection of the April 2023 mortgage payment, can't be laid at Barclays' door as it didn't make the error that caused this stress.

I would also confirm that Barclays refunded both the March and April 2023 mortgage payments, not just the April 2023 one. This was because neither payment was taken into account when the redemption amount was calculated.

Mrs H has commented that she has received further correspondence addressed to her maiden name. She said she had been told that her name could not be updated on Barclays' system. I am not aware of whether the statement Mrs H received related to a live or closed account, but if the former her name would be able to be changed, but she would need to

provide relevant documentation to allow it to be done. Mrs H may wish to speak to Barclays about what she needs to do if she wants to change her name on any live accounts she has with it.

My final decision

Barclays Bank UK PLC has already offered compensation of £500 and a £10.36 interest payment in settlement of this complaint and I consider that is fair and reasonable in the circumstances. As such, my final decision is that Barclays Bank UK PLC should pay £500 compensation and £10.36 interest in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mrs H to accept or reject my decision before 14 June 2024.

Derry Baxter

Ombudsman