

The complaint

E complains about the very poor customer service it has received from Barclays Bank UK PLC. In particular it says Barclays:

- failed to update its records to reflect that a director had died;
- failed to respond to E about the personal guarantee its directors had provided; and
- failed to add a new director to the mortgage.

What happened

E is a limited company. It holds a buy-to-let mortgage with Barclays. In late 2021, one of the directors of E sadly passed away. The remaining director notified Barclays in early 2022 and provided the necessary documentation for the mortgage to be updated. E was told that it would be contacted by Barclays' buy-to-let team regarding the mortgage. It is not in dispute that Barclays did not contact E or update its records. I understand that E contacted Barclays several times to chase progress, despite this the mortgage was not updated.

In late 2023, E chased Barclays again. Barclays treated this letter as a complaint. It said it was unable to find the documentation E had previously provided and it said E would need to re-submit the documentation before it could update the mortgage. It apologised for the poor service it had provided and offered to pay E £350 for the inconvenience it had caused.

E was not satisfied with Barclays' response and referred the matter to this service. The investigator noted that Barclays had upheld the complaint, so he said he would consider whether Barclays had done enough to put matters right. Having done so, he said he thought Barclays should pay E a total of £500 for the inconvenience its poor service had caused. The investigator forwarded a copy of the late director's death certificate to Barclays, so there could be no further confusion about whether Barclays had received it.

The investigator also said Barclays should get in touch with E to process the removal of the late director's name from the account and provide E with instructions on how to add a new director to the account and as a guarantor. The investigator noted that E had previously requested this information from Barclays.

Barclays accepted the investigator's view. E did not accept the view. It reiterated that its key concern was that Barclays would continue to fail to respond regarding the personal guarantee its directors had provided, or to update the mortgage.

A second investigator considered the complaint. Having discussed the complaint with E, she said she thought that, in addition to paying E a total of £500 for the inconvenience its poor service had caused, Barclays should proactively contact E to ensure that the mortgage was updated to reflect the new director and to discuss the personal guarantee.

E remained unhappy and asked for the complaint to be determined by an ombudsman.

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.

It is not in dispute that the service E has received from Barclays has been unsatisfactory. To resolve this complaint, I contacted Barclays and asked it to provide evidence that it has now removed the deceased director's name from the mortgage. Barclays has provided evidence to this service to show that the director's name has been removed from the mortgage account.

I also asked Barclays to contact E and set out the information it needed to add the new director to the mortgage. Barclays has provided this service with evidence to show that it wrote to E setting out its requirements on 13 June 2024, and it confirmed that once it has received this information it will add the new director to the mortgage. Barclays has also provided this service with a copy of a Deed of Release, releasing the remaining director from the personal guarantee he entered into when the mortgage was arranged. The Deed of Release is dated 13 June 2024.

In view of this, I am satisfied that Barclays has now addressed the issues E raised in its complaint.

As I noted above, it is not in dispute that the service E has received from Barclays has been unsatisfactory. I think the £500 award our investigators recommended for the inconvenience this very poor service has caused E is fair in the circumstances of this complaint.

Putting things right

Based on the information Barclays has now provided to this service I am satisfied that the deceased director's name has been removed from the mortgage and that Barclays has released the remaining director from the personal guarantee he entered into when the mortgage was arranged. I am also satisfied that Barclays has contacted E about the information it needs before it can add the new director to the mortgage.

To resolve this complaint Barclays Bank UK PLC should pay E a total of £500 for the inconvenience its poor service has caused.

My final decision

My decision is that, for the reasons I have set out above, I uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask E to accept or reject my decision before 17 July 2024.

Suzannah Stuart
Ombudsman