

The complaint

Mr R and Mrs R are unhappy that Barclays Bank UK PLC gave them incorrect information about their mortgage interest rate.

What happened

Mr R and Mrs R have a Barclays mortgage which had an interest rate of 1.18% fixed until 31 August 2023.

Mr R and Mrs R spoke with Barclays about their mortgage on 29 June 2023. On this call, Barclays explained that because of rising interest rates, the best two-year fixed interest rate they could offer Mr R and Mrs R at that time was 5.89%. Mr R and Mrs R were alarmed by this higher interest rate, which meant that their monthly mortgage payments would increase from £495 to £919, but they secured the rate because Barclays explained that their mortgage interest rates would be increasing further in the near future.

Mr R and Mrs R spoke with Barclays again on 21 August 2023, shortly before their 1.18% mortgage interest rate term was due to end. On this call, Mr R and Mrs R were incorrectly told by Barclays that their 1.18% mortgage interest rate was fixed until September 2025. But when Mr R and Mrs R's September 2023 mortgage payment went through, they saw that it was for £919 and not the £495 that they were expecting based on what they'd most recently been told. Mr R and Mrs R weren't happy that Barclays wouldn't allow their mortgage to benefit from a 1.18% interest rate until September 2025, so they raised a complaint.

Barclays apologised to Mr R and Mrs R for the incorrect information they'd been given and offered to pay £200 to them as compensation for any trouble or upset they'd incurred. But Barclays said that the correct interest rate had been applied to Mr R and Mrs R's mortgage and didn't feel that they should lower Mr R and Mrs R's mortgage interest rate as they would like. Mr R and Mrs R weren't satisfied with Barclays' response, so they referred their complaint to this service.

One of our investigators looked at this complaint. But they felt Barclays response to Mr R and Mrs R's complaint – including the offer of £200 compensation – already represented a fair resolution to what had happened. Mr R and Mrs R remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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 isn't in dispute that when Mr R and Mrs R called Barclays on 21 August 2023 that they were given incorrect information about their mortgage interest rate and what their mortgage payments would be moving forwards.

Specifically, Mr R and Mrs R were incorrectly told that the new two-year fixed rate term that they'd agreed with Barclays on 29 June 2023 would benefit from the same 1.18% interest

rate as the two-year term that was coming to an end. When what should have happened was that Barclays should have confirmed to Mr R and Mrs R that the new two-year fixed term mortgage rate would be 5.89%, as Mr R and Mrs R had previously agreed.

Mr R and Mrs R would like this service to instruct Barclays to honour the misinformation they were given. That is, to instruct Barclays to allow Mr R and Mrs R's mortgage to benefit from a 1.18% interest rate until September 2025.

However, as an impartial party, I don't feel that it would be fair or reasonable for me to instruct Barclays to do as Mr R and Mrs R would like. This is because Mr R and Mrs R had previously arranged the mortgage renewal with Barclays and had spoken at length with a Barclays mortgage advisor about it on 29 June 2023.

I've read a transcript of this call, and it seems clear to me that Mr R and Mrs R understood that their mortgage would no longer benefit from a 1.18 % interest rate after August 2023. And it also seems clear that Mr R and Mrs R were aware of the general level of mortgage interest rates before they spoke with Barclays mortgage advisor, and that they were expecting a significant increase in the interest rate that would be applied to their mortgage and to the amount of their monthly mortgage payments as a result.

As such, while it's unquestionably the case that Mr R and Mrs R were given incorrect information about their mortgage interest rate on the 21 August 2023 call, I feel that it should have been reasonably apparent to Mr R and Mrs R that the Barclays agent they were speaking with had made a mistake. And it must be noted that after Mr R and Mrs R agreed to the mortgage renewal on the 29 June 2023 call, that they were sent a letter by Barclays which confirmed what had been discussed on that call – including that the new mortgage interest rate would be 5.89%

Accordingly, I don't feel that Barclays have acted unfairly by applying the 5.89% interest rate to Mr R and Mrs R's mortgage from September 2023 onwards – because that was the correct mortgage interest rate to apply. But I do feel that Barclays should pay some compensation to Mr R and Mrs R for the trouble and upset that their being given the incorrect information on the 21 August 2023 call may have caused.

Barclays have accepted this point, and they've offered to pay £200 compensation to Mr R and Mrs R because of what happened. This feels fair to me, and I can confirm that it's commensurate with what I might have instructed Barclays to pay Mr R and Mrs R here, had they not already done so.

In arriving at this position, I've considered that Mr R and Mrs R were given incorrect information about the mortgage interest rate. But, as explained, I've also considered that the correct information about the rate had already been given to Mr R and Mrs R in both verbal and written form.

I also note that on the 21 August 2023 call, Mr R and Mrs R asked Barclays agent for information about interest only payments they could make for six-months as per the Mortgage Charter.

In response, Barclays agent explained that all the information about the support Mr R and Mrs R might be eligible for per the Mortgage Charter was available on Barclays website, along with information about how taking such support might impact their mortgage in the longer term.

I'm satisfied that Mr R and Mrs R understood what Barclays agent told them in this regard, and I note that they haven't applied for any of the available support subsequent to that call. I

can confirm that this support remains a possibility for Mr R and Mrs R, should they choose to apply for it.

All of which means that I feel that the response to Mr R and Mrs R's complaint that Barclays have already issued – including the apology and offer of £200 compensation for the provision of incorrect information during the 21 August 2023 call – already represents a fair outcome to this complaint.

As such, while I will be upholding this complaint, I'll only be doing so to formally instruct Barclays to pay the £200 compensation to Mr R and Mrs R that they've already offered to pay, and I won't be instructing Barclays to take any further or alternative action beyond this.

I realise this won't be the outcome that Mr R and Mrs R were wanting. But I hope that they'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Barclays must pay £200 to Mr R and Mrs R.

My final decision

My final decision is that I uphold this complaint against Barclays Bank UK PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R and Mrs R to accept or reject my decision before 20 June 2024.

Paul Cooper
Ombudsman