

## **The complaint**

Mr and Mrs H complain that they weren't allowed to port their mortgage with Barclays Bank UK PLC to a property they already owned, when they sold their old home and redeemed the mortgage, then shortly after bought their new property without a mortgage.

## **What happened**

Whilst this complaint is brought by both Mr and Mrs H, as the mortgage is in both their names, our dealings have been with Mr H. So I'll mainly refer to him in this decision.

Mr H said that in late 2023 he and Mrs H had decided to sell their home, and downsize. They had only recently, in 2022, taken out a ten-year fixed interest rate on their existing borrowing with Barclays. So they said they were aware that the mortgage would have a significant early repayment charge ("ERC") of almost £30,000.

Mr H said he spoke to Barclays before the move, and on two occasions was told he could port the mortgage, and the ERC would be refunded, as long as he ported the mortgage within 90 days of selling his old home. Mr H said Barclays never mentioned any other criteria. But he said when he then spoke to Barclays, it said it wouldn't allow him to port, because he and Mrs H had already bought the new property. Mr H said it was only then that Barclays explained porting had to be part of the purchase. And that meant the ERC would not be refunded.

Mr H said he'd complained, and he said Barclays upheld his complaint, acknowledging it wasn't clear in its guidance, but wouldn't port the mortgage now or pay back the ERCs.

Barclays didn't think it had wrongly advised Mr H before he bought his new home. It said that its policy is it won't allow porting when someone's already bought the property that they want to move a mortgage to. So it wouldn't refund the ERC Mr H had paid. It said it wouldn't make an exception to this policy in this case.

Barclays said it had listened carefully to the calls that it had with Mr H, and it didn't think it had ever advised him that he could buy his new house first, then port the mortgage later.

Barclays said it did think that when Mr H booked an appointment with a mortgage advisor, on 25 February, he should have been told on that call that porting would no longer be possible, as he had told the agent then that he had already purchased the property. Instead, that agent went ahead with the call, and Mr H was only told he couldn't port three days later. Barclays said it wanted to pay Mr and Mrs H £150 to say sorry for that. Mr H didn't want to accept, and he asked us to look into things.

Our investigator didn't think this complaint should be upheld. He said that he'd listened to the call recordings, and Mr H hadn't been misadvised by Barclays. Barclays' decision not to allow Mr and Mrs H to port their old mortgage was in line with its internal policy.

Our investigator did think the advice could've been better on the call on 25 February 2024, but he said that Barclays' offer of £150 was fair, for Mr H not being told then that porting wouldn't be possible.

Our investigator said the ERC was charged correctly here, and he didn't think Barclays had to pay it back.

Mr and Mrs H didn't agree, they said they would have acted differently if they'd been properly advised. But our investigator didn't change his mind. He wrote again, to say that Mr H was never told he could port his mortgage to a property he already owned.

Mr and Mrs H wanted their complaint to be considered by an ombudsman, so it was passed to me 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.

I've reached the same overall conclusion on this complaint as our investigator.

I have listened to the calls Mr H had with Barclays before he bought his new property, and I don't think Mr H was misadvised by Barclays before he purchased his new home.

Mr H rang Barclays around lunchtime on 20 December 2023, to find out about porting his mortgage. At the start of this call the advisor asked if Mr H was planning to move the mortgage onto the new property. Mr H set out where he was in the selling and buying process, and the advisor then said *"...the option you can do is obviously to pay off the mortgage but then you'd be looking to buy the new property outright which is quite an ask for most people."* Mr H agreed with that. The advisor then explained that Mr H had the option to bring the mortgage to a new property, and summarised how porting would work.

I do think it was reasonably clear from this call, that the advisor was talking about buying a new home using borrowing, and was not talking about the process that Mr H later went through, of making a cash purchase, and exploring moving the mortgage later. I also think if Mr H had been considering buying the new property with cash, then the advisor's comments at the start of the call provided an opportunity to ask about how this could work.

I'm clear that if Mr H had asked about a cash purchase, then moving the mortgage later to a property he already owned, he would have been told that Barclays couldn't do that. I've seen its policy on this, and it is clear.

The advisor said at the end of the call, considering the stage that Mr and Mrs H were at with their sale and purchase, he could start the porting process for them right away. I think that was helpful advice, but I note Mr H didn't want to do that at the time. Again, I think that's unfortunate, as if Mr and Mrs H had started the porting process then, then (subject to a successful application) they could have arranged to buy their new home with borrowing from Barclays.

I've also listened to another call Mr H had with Barclays, after he'd bought his new home. I can hear that on the call when he was trying to make an appointment with a mortgage advisor, to discuss porting his mortgage, he did say that he had already bought the property, and the agent he was speaking to then didn't stop to check this. That's why Barclays upheld Mr H's complaint, because he could have been told earlier that he could no longer port his

mortgage. I think that a payment of £150 does provide a fair and reasonable outcome to this part of Mr H's complaint.

But the important point here, is that this call happened after Mr H had bought the property. So, although there is clearly some inconvenience to Mr H from this call, that's not why he had to pay the ERC on his mortgage when he redeemed that borrowing, or why he later didn't get that money back. By the time of this call, Mr H had already taken the steps which, unfortunately, meant porting was no longer possible.

So I don't think Mr H was misadvised before he bought his new home. And because of that, I don't think Barclays has to make an exception to its usual policy here. I can also see that the ERC was clearly set out on Mr H's revised borrowing, in 2022, so Mr H was made aware of that at the time he entered into that deal. For those reasons, I don't think Barclays has to refund their ERC now

I know that Mr and Mrs H will be disappointed, but I don't think Barclays has to do more than it has already offered to do, and pay Mr and Mrs H £150 in compensation.

### **My final decision**

My final decision is that Barclays Bank UK PLC must pay Mr and Mrs H the sum of £150 which it previously offered, unless it has already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 18 October 2024.

Esther Absalom-Gough  
**Ombudsman**