

## The complaint

Mr C and Mrs C are in business partnership and complain that Barclays Bank UK PLC provided poor service and caused delays in dealing with their solicitor over a proposed property sale.

## What happened

Mr C and Mrs C explain that they originally wanted to sell part of the land of their business partnership. And that the money would repay their lending secured on this property to Barclays. They say that Barclays delayed the process, didn't respond to requests for information and told them that it would take recovery action. They are unhappy that they had to pay their solicitor over £3,300 in legal costs and want compensation for the impact on them personally and their loss. Mr C and Mrs C say that Barclays didn't respond their complaint until they had contacted this service.

Barclays has since issued a final response to their complaint and offered to pay them £500 in compensation. It said that it had issued a copy of the title deeds in January 2023 to Mr C and Mrs C's solicitor. But that it hadn't had further contact for a number of months. It accepted that due to a backlog of work it hadn't responded to a request made on 1 August 2023 until 23 August 2023. And that the current relationship model had failed Mr C and Mrs C as multiple requests had been made. Barclays said that it was usual that a redemption figure wasn't issued for accounts in arrears. And that this was then sent by exception and including on 22 September 2023. And once the lending was repaid the mortgage was discharged in the normal way. Barclays noted that it had originally wrongly logged the complaint under the property address and recognised the delay.

Our investigator didn't recommend that Barclays do more than it had now offered to do. She said that Mr C and Mrs C's solicitor had requested the title deeds to the secured property in October 2022. Barclays had responded on 26 October 2022 to say that these had been requested. And that the solicitor would also need to provide a deed of discharge and the borrowing be repaid before the security could be released. The solicitor called Barclays on 13 December 2022 to state that the deeds hadn't been received. And emailed on 11 January 2023 to say that these still hadn't been received. A redemption figure for 27 January 2023 was requested. The solicitor completed an undertaking sent on 26 January 2023 and the deeds were sent the next day. There was no contact again from the solicitor until 1 August 2023. The partnership did agree a payment plan for the loan during that period.

She said that Barclays didn't respond promptly to a request on 1 August 2023 for a redemption figure. This should have been responded to sooner but was Barclays stated affected by the arrears marker on the account. She didn't think that the invoice from the solicitor showed that the costs were the result of any error. Our investigator noted that the compensation offered was in the range published in our guidelines that we might consider appropriate where there has been considerable distress and inconvenience about an issue that has taken time and effort to resolve. And that the amount offered reflected the level of service and lack of communication.

Mr C and Mrs C didn't accept this and wanted their complaint to be reviewed. They said that

there was lots of evidence about how difficult and frustrating it was to deal with Barclays over this matter and this affected their solicitor and so the costs. Their position was that the paperwork requested here was normally dealt with quickly and not over months. We hadn't taken into account how long it had taken for Barclays to respond. Barclays had caused them anxiety and hadn't been held to account. The lack of available local or face to face contact with Barclays and the lack of explanation about the arrears process had contributed to this. And their solicitor had set out the fees for work that wasn't needed.

### *My provisional decision*

I issued a provisional decision on 22 August 2024. I set out below what I said.

### *The solicitor's letter*

I'd taken into account a letter from Mr C and Mrs C's solicitor (the solicitor) dated 3 November 2023 which helps to clarify their position regarding the sale. And also raises some disputed issues which I needed to consider.

I noted that on 25 October 2022 the solicitor had written to Barclays to say that parts of the partnership land were advertised for sale with offers by 11 November 2022. And to request the title deeds. Barclays acknowledged this request. But on 11 January 2023 the solicitor wrote to say that these hadn't been received despite a call on 13 December 2022. And a redemption figure was requested, and a draft deed discharge document sent which it was understood needed to be reviewed by Barclays' legal team. On 26 January 2023, an undertaking was sent for the solicitor to sign and was returned that day. The deeds were received on 30 January 2023. The solicitor states that "*our client withdrew from their sale at the end of March 2023*" and that Barclays wasn't notified.

The solicitor says that the sale was picked up again in July 2023 and was expected to be quick as much of the legal work had been done before. It wrote to Barclays on 1 August 2023 saying it hadn't heard from it and asking for a redemption figure. It sent multiple emails, and a redemption figure was provided on 29 August 2023. But there had been no response about the draft discharge deed. It says that there had been contact from Barclays on 6 September 2023 asking for a map of the part of the secured land to be released which was never the intention. And that in a call of 15 September 2023 with Barclays and also involving Mrs C it said that Barclays had wrongly thought that the request was that the security be released before the proceeds were sent. The solicitor said that this had never been suggested. And that it wanted assurance on the deed so that it could give its own undertaking to the buyer's solicitors. On 15 September 2023 Mrs C was led to understand that the partnership had 30 days to repay the borrowing before recovery action. An updated redemption statement was requested and received. And the draft discharge it understands was sent to Barclays' legal team on 19 September 2023. The solicitor then states, "*Our client's transaction did not settle but rather they obtained alternative funding that allowed them to settle their borrowings with the bank*" and the discharge of security was issued.

The solicitor said that in light of what happened Barclays should reimburse the partnership £800 plus VAT of its legal costs invoiced to Mr C and Mrs C.

### *The loan*

I noted that the loan involved was refinanced in November 2021 for a year and with a single fixed repayment due. And so had expired by November 2022. In February 2023, a short-term payment plan was put in place for six months. There was further discussion in July 2023 when the partnership is noted to have said to Barclays it was still trading and had stable income and was wanting to sell the part of land. No arrangement about repayment

was reached and a formal demand issued on 13 September 2023. There are case notes from Barclays about the security needing to be released in advance to allow the sale. The loan was redeemed in payments from 4 to 6 October 2023.

### *My assessment*

It isn't in dispute here that there were aspects of poor service. Barclays didn't respond to a request for the title deeds in October 2022 and there was a delay in these being provided. It didn't respond to a request for a redemption statement or to a draft deed of discharge sent in January 2023.

On the information from the solicitor, significant parts of the legal work around sale had been completed before Mr C and Mrs C decided to withdraw in March 2023. It is right that there was no response to the redemption statement request or deed of discharge before then. But beyond representing poor service this seemed in effect to have little impact

It is unclear what plans the partnership had for repayment when it had first pulled out of the sale given that all of the loan was due.

The solicitor was then in contact with Barclays on 1 August 2023 and complaining it hadn't had a response to requests in January 2023. Given that it hadn't followed this up and Mr C and Mrs C had earlier withdrawn from the sale I didn't put significant weight on that or find that this could fairly be said to have impacted matters.

Barclays didn't then respond quickly to the requests although hadn't committed to any timescale. There seemed to be confusion as a result of its direct contact with the partnership. I wouldn't expect Mr C and Mrs C to discuss the legal process and which the solicitor was dealing with. And so, I didn't see a basis for Barclays to think that the request was for the security to be released before repayment, or that only part of the security was to be released. From the information it is clear to me that the solicitor wanted to ensure that the wording of the deed of discharge was acceptable so that it could give its own undertaking on the sale. And that the release would follow full repayment of the loan.

I wasn't clear why the fact that the loan was in arrears precluded a redemption statement as Barclays says especially as the intention was that it all be repaid. And I didn't see any other acceptable reasons for the delays which were it seems the result of poor service and communication. There was also apparent confusion over the process of repayment linked to sale in the collections team. I didn't see that this arose from any unusual factors here when dealing with secured land. Having said that Mr C and Mrs C hadn't repaid the loan as required and there would be expected contact about arrears and as here eventually the issue of formal demand.

There are a number of factors in any property sale and Barclays did subsequently provide redemption statements and I'd seen approved the specific deed of discharge and sent this on 22 September 2023. The solicitor didn't elaborate as to why the sale didn't proceed further. I was unable to conclude on the information that Barclays is fairly responsible for that and taking into account the period over which this sale was being contemplated by Mr C and Mrs C with their prospective buyer. And I noted that Mr C and Mrs C in any event made arrangements for alternate funds to repay the loan.

### *Compensation*

I appreciated Mr C and Mrs C want all the legal fees refunded. But the majority were for the prospective sale, and I noted it seems also came before they first decided to withdraw in March 2023. The solicitor has separated out in the invoice and the letter the amount of costs

it considers Barclays to be responsible for given the delays. I noted that this includes the cost of writing a letter setting out what happened. In this case that letter has been very helpful in resolving a number of matters and isn't something I considered Mr C and Mrs C could reasonably otherwise have done and evidenced here. And I found the substance of the delays and poor communication to be well evidenced and endorsed by their legal representative. Taking that into account I said I was going to award a contribution to legal costs of £800 plus VAT (that is £960).

I then needed to think about the impact on Mr C and Mrs C. I noted that the partnership loan had been due for payment and so I considered the contact about this and expectation of repayment from Barclays to be reasonable. I also noted the information that they withdrew from the sale in March 2023. I took into account the confusion at Barclays about the process and their frustration resulting from the delay. I noted the specific findings I'd made here about what happened. I also needed to say that I wouldn't be making an award for complaint handling as Mr C and Mrs C were able to and did here refer a complaint to this service before the final response letter. And as complaint handling isn't a separate regulated activity. Having regard to our published guidelines and based on my assessment of their complaint I considered that compensation of £500 is reasonable to reflect the impact for them.

### **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.

Mr C and Mrs C said that they didn't have anything else to add and accepted my provisional decision. And Barclays said that it accepted my provisional decision having regard to my explanation about the further compensation.

That being the case I see no reason to depart from the conclusions of my provisional decision and for the reasons I've already given.

### **My final decision**

My decision is that I uphold this complaint in part, and I require Barclays Bank UK PLC to pay Mr C and Mrs C a total of £1,460.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 8 October 2024.

Michael Crewe  
**Ombudsman**