

## **The complaint**

Mr S complains that Barclays Bank UK PLC didn't grant permission to let out his former home, because it had noted his property as in shared ownership. Mr S also said he'd been trapped on a mortgage with Barclays, because it would charge him to move elsewhere.

## **What happened**

Mr S said he'd asked Barclays for permission to rent out the property that he bought to live in. He'd submitted the relevant form before the tenant moved in. Mr S said he then contacted Barclays again, ten months later, and found out his property had been marked as in shared ownership. Because of this, he hadn't been given permission to let his property after all.

Mr S said his property wasn't shared ownership. He said he was now worried the mortgage he had, had been mis-sold to him. He said Barclays also told him it had sent mail to the wrong address.

Mr S said Barclays' service had been poor. He had to spend time on the phone to fix Barclays' mistakes, and had been held into his mortgage for longer than necessary, because there was an exit fee, so he couldn't choose from other mortgages on the wider market.

Mr S said Barclays had only offered him £200, but he said it had held his mortgage for ten months on an incorrect basis, when he could have found a new mortgage with a different lender. He thought Barclays should pay him around ten months of interest, which he said was over £4,000.

Barclays said it hadn't mis-sold Mr S's mortgage. He previously had a residential mortgage, which wasn't on a shared ownership basis. But Barclays accepted it had made a mistake when Mr S asked for permission to let his property. It was then that Barclays wrongly noted his property as being in shared ownership. It had also sent one letter to the wrong address, which Barclays said Mr S had confirmed was a relative's address.

Barclays said it wanted to pay Mr S £200 to say sorry for that. But it didn't think it had to pay more. Barclays said the shared ownership marker didn't otherwise affect Mr S's mortgage. And it said the original offer that it sent Mr S, for his existing mortgage deal, made clear there would be an ERC on the mortgage until 31 December 2024.

Our investigator didn't think this complaint should be upheld. He said that Barclays' offer was fair in the circumstances. He didn't think Mr S had been mis-sold a mortgage, as Barclays had confirmed that the incorrect shared ownership marker was only added recently, and did not affect his mortgage.

Our investigator said it would have been concerning for Mr S to find he didn't have permission to let out his property, but this hadn't otherwise affected him, and the mistake had now been put right.

Our investigator also said Mr S's mortgage was in place before he asked Barclays' permission to let out the property, and the ERC on his mortgage was nothing to do with this.

Our investigator said Barclays had accepted it sent a letter to the wrong address, which was clearly a mistake, but fortunately the letter was sent to a family member rather than a stranger.

Mr S didn't agree. He said Barclays was a large company, making mistakes he'd had to spend his time sorting out. Mr S said that a payment of £200 didn't cover the time he'd spent resolving the problems. He said he wanted to recover the income he'd lost during this time.

Mr S wanted his 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've seen the offer that Mr S was sent for this mortgage in December 2022. That doesn't contain any suggestion that Mr S's property is in shared ownership, and Barclays has confirmed that the mortgage wasn't sold on this basis. So I haven't seen anything to make me think Mr S's mortgage was wrongly sold to him.

This offer also makes clear that Mr S's mortgage will incur an ERC, if he moves his lending elsewhere before 31 December 2024. I don't think it's unfair or unreasonable for Barclays to have included an ERC in Mr S's mortgage, or to say that this still applies until the date initially set out in Mr S's offer.

Mr S wasn't given permission to let, when he requested it. That was due to Barclays' mistake, but in itself, this doesn't appear to have affected Mr S. And the mistake has now been put right.

Mr S's property was noted as shared ownership when he requested permission to let it out. I understand this caused a short delay when Mr S was trying to remortgage. However, as Mr S's mortgage was still subject to an ERC at the time that this mistake was uncovered and put right, I don't think it's likely that Mr S has paid more interest as a result. I do accept that Mr S will have been inconvenienced by this.

Barclays has also accepted that it wrongly sent a letter to Mr S's family member. Again, I accept that Mr S would have been inconvenienced and concerned by this.

I do think the offer that Barclays has made here is fair and reasonable for the inconvenience and concern Mr S has experienced. I understand Mr S says he wants to recover his losses, but I don't think it would be reasonable for me to ask Barclays to pay more here, because I don't think that would be consistent with the other awards our service makes. So I'll ask Barclays now to make the payment of £200 that it has already offered, if it hasn't already done so.

**My final decision**

My final decision is that Barclays Bank UK PLC must pay Mr S the sum of £200 that it previously offered, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 December 2024.

Esther Absalom-Gough

**Ombudsman**