

The complaint

Mr T complains about the trouble and upset he suffered when Barclays Bank UK PLC (Barclays) made an error which caused the record of his mortgage to be removed from the Land Registry. He would like greater compensation for the worry he endured over what he regards as an extended period of time.

What happened

Mr T held a mortgage with Barclays. Sometime before October 2023 Barclays made an error which caused a significant number of its customer's mortgage records to be removed from the Land Registry. It wrote to Mr T – who was one of the affected customers – in October 2023, noting what had happened and setting out what it would do to put things right. On further occasions throughout late 2023 it wrote to Mr T updating him on the situation and then that it had fixed the problem – which was then confirmed to Mr T directly by the Land Registry.

But Mr T complained to Barclays because he said he'd suffered significant worry and concerns during the period since Barclays made him aware of the problem. He said he'd been told to carry out his own investigations as part of the solution, had lived in fear of someone claiming rights to his property, felt unable to remortgage elsewhere during that time, and didn't understand the legal wording used in the letter he'd received from the Land Registry. He believed all this undue and avoidable stress warranted compensation from Barclays.

Barclays apologised for its error but thought it had made Mr T aware of the problem at the first opportunity and had kept him updated with its progress on correcting the mistake with the Land Registry. It noted that Mr T hadn't suffered any financial loss during the incident but offered £150 compensation for the stress the matter had caused him.

But Mr T didn't think the offer was sufficient, so he brought his complaint to us where one of our investigators looked into the matter. They thought Barclays should increase its compensation payment to £300 for the distress Mr T suffered over a period of around two months.

Barclays didn't agree that the increase in compensation was reasonable, but the investigator noted the amount proposed was in line with our approach for a "*single mistake, requiring a reasonable effort to sort out*" and that this error had taken around two months to resolve – so should be placed at the higher end of the appropriate level of compensation range.

Barclays didn't think Mr T had to make a "*reasonable effort*" to resolve the matter. In fact it didn't think he was required to do anything and noted he only contacted it after the issue was resolved. It asked for the matter to be referred to an ombudsman – so it was passed to me to review.

My provisional decision

In my provisional decision I took a different view to the investigator and thought Barclays' original offer of £150 was fair and reasonable. I made the following points in support of my findings:

- There was no dispute that Barclays did make an error which affected a number of its customers. Nor was there any dispute that it contacted Mr T three times in late 2023 to make him aware of the problem and the steps it was taking to correct it. And the issue was resolved around two months after it was first discovered.
- So the consideration here was around the degree to which Mr T had been impacted and what level of compensation was appropriate for that impact.
- Barclays wrote to Mr T on three occasions from 26 October to 27 December 2023 which made him aware of the problem and kept him updated with the intended resolution. It said there was no action required by Mr T. It also advised him to maintain his contractual monthly payments and what he should do if he was in the process of either remortgaging or selling should the error affect these actions. So I was satisfied that Barclays had done all that might be required of it to correct its error and mitigate the effect on Mr T.
- I then looked at the impact on Mr T noting that most of his concerns were about things that *could* have happened as a result – but ultimately didn't.
- But I accepted that Mr T would still have worried about such events happening over a reasonable length of time.
- I didn't think it was Barclays' responsibility, that the letter Mr T received from the Land Registry confirming the situation was resolved, was difficult for him to understand because of the legalities that had to be explained using "legal jargon."
- I didn't think there was any evidence to support the idea that Mr T had been prevented from obtaining a better remortgage offer from other providers. There was nothing to show that he had been prevented from trying to get alternative deals nor that he had been unsuccessful in applying for them. And Barclays had given Mr T a way to resolve such a problem – if it had existed – in its initial letter outlining the error.
- The effect of Barclays' error was that Mr T's mortgage record had been removed from the Land Registry records – not that the legal ownership of his property was affected. So anyone looking at the Land Registry records would simply have concluded that Mr T owned the property outright. Therefore the overall impact on Mr T wasn't as great as if his legal ownership was in doubt.
- So overall, while Mr T would understandably have been concerned about the matter, I thought Barclays' offer of £150 was broadly within the range of what I might have recommended for the impact this would have had on Mr T.

Responses to the provisional decision.

Barclays accepted my provisional decision, but Mr T disagreed. He said it was incorrect for us to state that the stress and uncertainty he suffered was only over a period of two months when in fact it lasted for around five months. He wanted me to reconsider the amount of compensation to be awarded having now corrected this timescale.

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.

And having done so I see no reason to depart from my provisional decision. I note that

Mr T believes I haven't fully appreciated the length of time this matter impacted him for, and I have thought about his submission carefully, but I think Barclays' original offer of £150 is fair and reasonable in the circumstances – so I'll confirm my reasons below.

In October 2023 Barclays wrote to Mr T, among a number of its mortgage customers, to explain that it had inadvertently "*made a mistake which caused them (the Land Registry) to remove their record of your mortgage. You don't need to do anything about this, but we wanted to say sorry and let you know we're fixing the mistake.*"

It wrote again in November 2023 explaining that it was taking the final steps to correct its mistake and that legal entities had been appointed for the benefit of affected customers interest to ensure the matter was resolved appropriately. In December 2023 Barclays confirmed "*we've now fixed the mistake*" and that the Land Registry would send out a follow up letter to confirm the matter was resolved within its records.

So Barclays identified its error, told Mr T what it would do about it – thereby keeping him updated, and then confirmed resolution. Within the letters it confirmed Mr T wouldn't need to take any action himself and that any potential problems caused by remortgaging and selling the property during that time could be addressed by contacting Barclays.

I think Barclays acted fairly and appropriately here to identify the problem and mitigate any concerns that Mr T might have. It should be remembered that the problem was the removal of Mr T's mortgage records from the Land Registry – it didn't affect his legal ownership. So any concerns Mr T might have had should be seen in that context. The ownership of his property, and any issues that might have arisen from the dispute of that ownership, wouldn't have applied here.

Of course that doesn't mean that Mr T wasn't concerned – or that his concern might have focused on the legal ownership issue. But I think Barclays was clear in explaining what the problem was and was also clear that it would correct the issue without the need for Mr T to take any action himself. Mr T said he was required to take some action by having to check there were no other legal changes on his property that might be affected, but I don't think it was unreasonable for Barclays to ask for this to be checked as it wasn't in a position itself to know what other charges might be registered against the property.

Mr T also says he had to check with Barclays whether each letter he received wasn't a "scam letter" but I haven't seen anything within the letters to suggest Mr T might have cause to be concerned about that. And I don't think it's fair to hold Barclays responsible for the difficulties Mr T said he encountered with the legal complexities the Land Registry set out in the final confirmation of resolution letter.

Mr T has said that I haven't considered the full extent of the time over which he was impacted by this matter and that he in fact suffered stress and uncertainty over five months – not two months as I had suggested. I don't take lightly the concerns Mr T suffered here but from the evidence I've seen there were two months between Barclays' first letter identifying the problem and its last letter confirming it had "*fixed the problem.*" So any uncertainties Mr T experienced should have been allayed when he was told the matter was in fact resolved.

I can't reasonably say Mr T didn't continue to suffer stress during the period that he made his complaint and continued to ask Barclays about the level of compensation it thought was appropriate. But my consideration when looking at what level of compensatory payment is warranted is about the impact Barclays' error had on Mr T and this impact lasted for period of two months. Having said that clearly Mr T was impacted to some degree, but when looking at all the factors involved here and particularly everything Barclays did to minimise

the impact its error had, I think its offer of £150 is fair and reasonable in all the circumstances.

I have also considered Mr T's assertions about how Barclays' error affected his ability to remortgage his property during this time. I note Mr T did in fact switch his interest rate with Barclays in February 2024 – so after the mortgage record issue was resolved. But I haven't seen anything to support the idea Mr T was prevented from remortgaging with other providers during this time or that he was refused or declined from doing so through unsuccessful applications. So I can't reasonably say that this impacted in him in anyway. But in any case Barclays had already said in its letter of October 2023 that, *"if you're in the process of selling or remortgaging your property, please call us...so we can make sure this mistake doesn't affect your plans."*

So I think Mr T was made aware that if he wished to remortgage elsewhere this wouldn't be affected by the ongoing matter as Barclays would ensure any new provider was aware of its error.

My final decision

Barclays Bank UK PLC has already made an offer to pay £150 to settle the complaint and I think this offer is fair in all the circumstances. So it should make that payment.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 8 November 2024.

Keith Lawrence
Ombudsman