

The complaint

Miss B complains Barclays Bank UK PLC (Barclays) caused delays when re-mortgaging her property.

What happened

Miss B says she is a longstanding customer with Barclays and started the process to change her mortgage from joint names to her sole name and at the same time obtain a new mortgage interest rate.

Miss B says she expected this to have been completed by early April 2024, but it took Barclays, due to mistakes it made during the process, until early May 2024 resulting in her paying higher interest for that period.

Miss B says Barclays initially denied it had caused any delays and then accepted it had, but only offered her a partial interest refund for the monthly payment and £300 by way of compensation which she doesn't feel goes far enough.

Miss B wants Barclays to refund the full monthly mortgage payment of around £1,500 plus £500 for the stress and worry caused.

Barclays says it accepts it was at fault for the delay and that Miss B was unfairly charged at the standard variable rate (SVR) of interest for the whole of April 2024 up until 8 May 2024. Barclays says it has offered to refund Miss B the difference between the SVR charged and the new interest rate, which equates to £844.53 and in addition to pay £300 by way of an apology, which it feels is fair.

Miss B wasn't happy with Barclays' response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator pointed out the issues regarding the Help to Buy aspect of the complaint was prior to Barclays involvement in the process, so she only considered Barclays' actions here.

The investigator says Barclays accepted part of the service it provided should have been quicker. The investigator felt its offer to refund the difference in the interest charged during the period in question and £300 by way of apology was fair, as it's not the role of this service to punish banks when service issues like this arise.

The investigator says while Miss B was looking for Barclays to refund the full contractual monthly payment (CMP) for April 2024, that wouldn't be fair as the capital repayment would still have needed to have been paid, even if the new mortgage had completed sooner. The investigator felt the refund of the additional interest and the offer of £300 by way of compensation was reasonable in the circumstances.

Miss B didn't agree with the investigator's view and asked for the matter to be referred 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I understand it would have been frustrating and upsetting for Miss B to experience delays in the refinancing of her mortgage.

When looking at this complaint, as Barclays have accepted it was at fault for some of the delays incurred during the process, I will consider if its offer of redress is sufficient here.

Barclays have accepted on review that the service it provided Miss B during the process of dealing with the change of ownership and providing a new mortgage to Miss B could have been dealt with sooner than it was.

From the information I have seen Barclays seem to have been at fault in delaying the issue of the Deed of Postponement, which was required here, and this wasn't dealt with until late April 2024.

This contributed to the delay in providing the new mortgage to Miss B at a lower interest rate, so Barclays have agreed to refund the difference between the SVR Miss B was paying to the new interest rate for period of April 2024 until 8 May 2024, when the new mortgage was completed. In addition, Barclays have offered Miss B £300 for the inconvenience caused.

While I understand Miss B is looking for Barclays to refund April 2024's CMP, I don't agree that would be fair, as pointed out by the investigator this includes an element of capital that would still need to be repaid, as determined by Barclays.

In any event, I'm satisfied the appropriate resolution would be for Barclays to pay Miss B the difference in the interest she should have paid if the mortgage had been completed in good time, and the SVR she was charged during this time and that is what Barclays have agreed to.

As far as the compensation is concerned, Miss B is looking for Barclays to pay £500 for the inconvenience caused. It's worth saying that it's not my role to penalise or punish banks when service delays like this occur, but to see it apologises for that and puts the individual back into the position they would have been had the delays not occurred. It should also offer a proportionate amount of redress and on balance I'm satisfied Barclays have done that here.

While Miss B will be disappointed with my decision, I won't be asking anymore of Barclays, and I will leave it with Miss B if she now wishes to accept its offer of redress.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 11 December 2024.

Barry White
Ombudsman