

The complaint

Mrs S complains about how Barclays Bank UK PLC has been administering her mortgage.

What happened

Mrs S said that Barclays wrote to tell her the interest rates on the two parts of her mortgage were coming down. But she told us when she spoke to Barclays, it then said that her payments weren't coming down. It said she'd previously been paying the wrong amount each month, but Mrs S said Barclays had never contacted her about any mortgage arrears.

Mrs S said Barclays wasn't keeping her informed about her mortgage, and she didn't think it had been managing this mortgage correctly.

Barclays said that Mrs S's mortgage interest rate recently went down, due to changes in the Bank of England Base Rate. It had written to her about this in August 2024.

Before this, the rate had last changed in November 2023, when it went up. Barclays said it had written to Mrs S then too, but importantly, it said that she hadn't increased her monthly payments by enough back then. So between late 2023 and summer 2024, Mrs S had been underpaying on her mortgage each month. Barclays had been using a small existing overpayment on her mortgage to cover the shortfall.

Barclays said it had double-checked, and the amounts it was asking Mrs S to pay in its August 2024 correspondence were right. It had previously suggested that she might find it easier to pay by direct debit, but Mrs S didn't want to do that, so Barclays said it was her responsibility to change the amount of the standing orders she paid each month.

Barclays didn't think it had done anything wrong.

Our investigator didn't think this complaint should be upheld. He said that Mrs S's mortgage is in two parts. For each of these parts, the interest rate changes whenever the Bank of England Base Rate changes. And that means when the Bank of England Base Rate changes, Mrs S's monthly payment will also change.

Mrs S's complaint to our service was that when the Bank of England Base Rate reduced in August 2024, her monthly payment didn't reduce. It actually went up. But our investigator said this happened because Mrs S had been paying less than her monthly payment, towards the smaller of the two parts of her mortgage, for some time.

Our investigator thought that Mrs S must have missed an update sent by Barclays about her monthly payments, when the Bank of England Base Rate changed in November 2023. Mrs S pays by standing order, so she has to adjust her monthly payments herself, whenever the Bank of England Base Rate changes. When the rate went up in 2023, Mrs S was sent a letter telling her what the new payment was for each part of her mortgage, but she didn't increase the payment to the smaller part of her mortgage.

Our investigator explained that Barclays was using the overpayment on Mrs S's larger

mortgage part to cover the shortfall. Barclays hadn't written to her about this, it would only issue a letter about arrears on the account if it was over one month's payment amount.

When the Bank of England Base Rate changed again, and went back down a little, Mrs S thought it had gone up, because she was being asked to pay more than she'd been paying before. But the problem was just that Mrs S hadn't been paying enough before.

Our investigator didn't think that Barclays had acted in a way which was unfair or caused a loss to Mrs S and so he said he wouldn't uphold her complaint. Barclays had written to Mrs S to tell her how much she needed to pay, and explained that she needed to make these changes herself. If Mrs S didn't get those letters, that wasn't Barclays' fault.

Mrs S disagreed. She said Barclays should have asked for the underpayment, rather than refusing to reduce her interest rate.

Our investigator said Barclays had told Mrs S how much she needed to pay, and he didn't think Barclays had to do more than that. He said Barclays had reduced Mrs S's interest rate. The reason she needed to pay more was because she hadn't been paying enough before this.

Mrs S then said that she'd just been told that her payment was changing again. She said we should have known about this, and we hadn't mentioned it, so there was still confusion.

Our investigator explained that our service can only look at what's happened up to when the complaint response letter was sent to Mrs S, so we didn't have the latest picture on her mortgage, and he asked Mrs S to discuss this with Barclays.

Because no agreement was reached, this case was then 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.

As our investigator noted, our service doesn't have absolutely up to the minute information on the position on Mrs S's mortgage. She'll need to talk to Barclays for that. And he explained that when we investigated her complaint, we only looked at what happened up until the date that a complaint letter was issued to Mrs S, which was 23 September 2024. That's because the rules of our service mean we have to give Barclays a chance to put things right, before we can intervene.

So if Mrs S thinks Barclays has made a mistake with her mortgage more recently, in the letter of November 2024 that she sent to our service, she'll have to ask Barclays to look into that first. I cannot look at that here.

Mrs S says that Barclays either didn't reduce her interest rate, or her monthly payment, in response to the last reduction in the Bank of England Base Rate. But I think it did. It has shown our service revised payment notices for both parts of Mrs S's mortgage. Those show small reductions in the interest rates payable on both parts of the mortgage, and consequent small reductions in the amounts due each month.

Mrs S is now being asked to pay more than she has been paying for the smaller part of her mortgage. But I don't think this is because Barclays has made a mistake with the interest

rate or monthly payment on this part of the mortgage. I think it's just because Mrs S wasn't paying enough before.

Mrs S says she didn't get the previous notifications from Barclays, about her revised payments, in November 2023. But I've seen this letter, and I do think it was sent to Mrs S. If it wasn't safely received and read by Mrs S, then that wouldn't be Barclays' fault.

Mrs S says Barclays should have written to her again, to tell her she wasn't paying enough. If Mrs S had got more than a month into arrears, then Barclays would have written to her. But I don't think Barclays had to write to Mrs S, just because it had told her how much to pay each month, and she hadn't increased both payments to the new, higher amounts.

Barclays has explained to Mrs S that if she keeps paying by standing order, she's responsible for making sure her mortgage payments are enough to cover the amounts due, each month. And it has suggested that she could set up a direct debit instead. I know Mrs S says a direct debit isn't suitable for her, but that does mean she remains responsible for making sure the payments she's sending to Barclays are big enough to cover her whole monthly mortgage repayment.

I don't think Barclays has misadvised Mrs S, or that it has failed to set out the appropriate mortgage payments for her. I also don't think it's failed to apply changes in the Bank of England base rate to her mortgage interest rate, and her monthly payments. I know that Mrs S will be disappointed, but I don't think her complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 30 January 2025.

Esther Absalom-Gough

Ombudsman