

The complaint

Miss D and Miss N complain about the way Barclays Bank UK PLC dealt with them when their joint mortgage fell into arrears. Miss D has dealt with the complaint.

Miss D says they are owed an apology for how difficult Barclays made it to sort things out and compensation for the amount of time this has taken to resolve. Miss D says Barclays should compensate them for the additional costs of not being able to fix the interest rate to stop costs getting out of hand with rising interest rates.

What happened

Miss D and Miss N took out a joint mortgage with Barclays in 2008. Part of the mortgage is on interest only terms and part is on a capital repayment basis. Miss D moved out of the property over a decade ago, when she bought a property with her partner. Miss N lives in the property and makes mortgage payments. The mortgage fell into arrears after interest rates increased in late 2022. Miss D and Miss N complain about the lack of support from Barclays. In particular:

- Miss N lives in the security property and made monthly mortgage payments for over a decade without any contribution from Miss D. Despite this, Barclays didn't remove Miss D from the mortgage and her credit file has been impacted. Miss D said this isn't the crux of the complaint, which is about how Miss N has been treated by Barclays.
- After interest rates increased in late 2022, Miss N struggled with the higher monthly payments. Miss D says Miss N has been trying to contact Barclays for support since early 2023 without success. Miss N says she experienced long call wait times, was often cut off when she did speak to someone, had to go through a long process to outline income and expenditure, and wasn't called back as promised.
- Miss D says Miss N was asked for income and expenditure information on many occasions. Miss N says she told Barclays she was on a fixed pension income and had health problems which meant this caused her anxiety. Miss D said Barclays didn't make reasonable adjustments for Miss N's health conditions and the stress affected their mental health.
- Miss D says Barclays contacted her about the account even though she considers she isn't responsible for making payments. She says Barclays didn't make notes and she had to explain each time that she didn't live at the property and Miss N was responsible for making payments.
- Miss D and Miss N say Barclays didn't take steps to make the mortgage affordable, for instance by reducing the interest rate or extending the term. It caused further upset when it sent a field agent to the property – in doing so breaching GDPR. And this was despite being told about an inheritance due to Miss N which would have cleared the arrears. Miss D says Barclays didn't tell them about the Mortgage Charter.
- Miss D says due to Barclays' errors the mortgage is in arrears and this has been

recorded on their credit files. She says this has affected her ability to obtain credit and access preferential mortgage interest rates.

Our investigator said, in summary, Barclays hadn't treated Miss D and Miss N unfairly.

Miss D didn't agree. In summary, she said Barclays hadn't provided support and put barriers in the way of them sorting out issues that will now impact them for years to come. She said Barclays only offered support on the smaller part of the mortgage, which made little difference to their payments.

Miss D said if Barclays had told them about the Mortgage Charter a family member would have helped them clear the arrears. She said the inheritance due to Miss D had come through and if Barclays had offered support they would not now be in this position.

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.

Miss D provided examples of what she says is unfair treatment by Barclays and explained her concerns in detail. I understand that Miss D feels strongly about this matter. Our rules don't require me to respond to each point made by the parties. What I have to do is decide what's fair and reasonable in the circumstances and explain how I reach my decision.

Lack of support when Miss N and Miss D had difficulty meeting mortgage payments

The mortgage fell into arrears. Miss D and Miss N both contacted Barclays in early 2023. Miss N said she wanted to discuss a reduced payment plan. Barclays put a temporary hold on recovery action to allow Miss N time to collect income and expenditure information.

Rules on mortgage regulation require lenders to treat borrowers in financial difficulty fairly. The lender should explain how they can offer help and offer suitable solutions taking into account the borrower's circumstances. It would be irresponsible for a lender to offer a concession that is inappropriate or could put a borrower into a worse position. Lenders have to be able to justify what concessions they offer – or don't offer – to a borrower. In order to do this, lenders need information from the borrower and will usually ask the borrower for income and expenditure information.

Taking this into account, I think it was fair for Barclays to ask Miss N for income and expenditure information before deciding what support to offer. It would need to update this if Miss N needed continued support, as her circumstances could change.

Barclays' notes say that Miss N didn't have the necessary information to hand. Barclays put holds on the account to give Miss N time to collect and provide the information. I can see from Barclays' notes that some calls disconnected (sometimes several times), which made it difficult to complete discussions. There's no evidence that Barclays was responsible for the problems with the calls disconnecting. Barclays notes suggest it did call Miss N – or tried to do so – when it said it would do so.

I understand that Miss N found having to contact Barclays frustrating, especially given the difficulties she had with call wait times and calls being cut off. Overall, I don't think Barclays' requests for information were unfair or unreasonable. I can't fairly find that Barclays was responsible for the income and expenditure questionnaire not being completed.

The information Miss N did provide to Barclays suggested she couldn't afford the contractual

monthly payments. In March 2023 Barclays applied a reduced interest rate for 12 months (from March 2023 to March 2024) to the smaller part of the mortgage loan (at that time, the rate on the larger part of the mortgage loan was lower than the reduced rate). Barclays said it would call Miss N in seven days to discuss the larger part of the mortgage loan. Barclays' notes say it tried to call Miss N and she didn't answer. It spoke to Miss N again in June 2023.

I haven't seen anything to suggest that Miss D and Miss N tried to take out a preferential interest rate and were unable to do so due to an error by Barclays. I wouldn't expect Barclays to offer an interest rate product to Miss D and Miss N when the mortgage was in arrears due to financial difficulties. That's because it would likely have included an early repayment charge. That would have been an additional cost if Miss N and Miss D had repaid the mortgage during the product term, if their circumstances made that necessary.

Barclays also spoke to Miss D about the arrears. Barclays' notes say that Miss D told it she didn't have available income that could be used towards mortgage payments, and she didn't consider she was responsible for the payments.

Miss N paid about £3,500 in mid-2023 to clear the arrears. She contacted Barclays again in September 2023. She'd missed the payment due at the end of August 2023. The information Miss N provided to Barclays suggested she couldn't afford the contractual monthly payments or even enough to cover the interest.

Miss N told Barclays she expected an inheritance within two to three months that she would use to clear the arrears and reduce the capital. Barclays asked for evidence, such as a solicitor's letter. It's not clear if this was provided, or if it set out a clear timescale for when Miss N would receive the inheritance. Miss D has said it was impossible to say when the inheritance would be available due to delays with probate.

Barclays arranged a visit by a field agent, which Miss N and Miss D found upsetting. Miss D said Barclays shouldn't have moved to the next stage of its process without a completed income and expenditure and full details of their financial situation. I don't think it was unfair for Barclays to arrange the visit. Barclays had asked Miss N for income and expenditure information which hadn't been provided. Miss D had told Barclays she didn't have available income and didn't consider she was responsible for payments. The account was in arrears and no repayment plan had been agreed. I think it's unlikely Barclays breached GDPR when it instructed the field agent but if Miss D remains concerned she can contact ICO.

The Mortgage Charter came into effect in mid-2023. Options under the Mortgage Charter – such as a term extension or a switch to interest only payments for six months – might have been available to Miss D and Miss N in July and August 2023. I haven't seen anything to suggest they requested this. When Miss N contacted Barclays in September 2023 the account was again in arrears and so these options weren't available. Even if a family member had helped to clear the arrears, I don't know that the options under the Mortgage Charter would have helped. Part of the mortgage was already on interest only terms. And Miss N couldn't afford payments to cover the interest each month.

The Mortgage Charter says that in circumstances such as these lenders should follow their process to offer forbearance and tailored support. This is the process Barclays was following when it asked for income and expenditure information, so it could consider what support was suitable.

Arrears and reports to the credit reference agencies

Barclays has to report accurate and up to date information to the credit reference agencies. The account fell into arrears because payments were missed. I don't think it was unfair or

inaccurate for Barclays to report this to the credit reference agencies. The impact on Miss D and Miss N's credit scores might have been less if they'd agreed a payment arrangement or other concession with Barclays. But, for the reasons I've already given, I don't think Barclays was responsible for this not happening.

Poor service and lack of reasonable adjustments

Miss D says Miss N has health problems and Barclays should have made reasonable adjustments. She says Barclays' treatment of Miss N didn't meet the requirements of the Consumer Duty.

Barclays was aware that Miss N was in financial difficulties and she told Barclays she had health issues. But, in fairness, Barclays needed information from Miss N in order to understand what support was appropriate.

It's for Miss N to decide what information regarding her health to share with Barclays. I can't fairly say that Barclays should have made adjustments without information from Miss N about her health conditions and how they affected her ability to manage the mortgage. If Miss N needed Barclays to make adjustments in how it communicated with her, I can't see that she made Barclays aware of this.

Removing Miss D from the mortgage account/contacting Miss D about the arrears

Barclays' record of the complaint raised by Miss D is that she asked it to remove her from the mortgage account so that her credit file wouldn't be affected. While Miss D says this isn't the main part of the complaint, for completeness I need to address this. Miss D also complained about Barclays contacting her about the arrears as she doesn't consider she's responsible for the payments. She has to explain this each time Barclays calls.

Barclays offered a joint mortgage to Miss N and Miss D. I think it's fair and reasonable and consistent with rules on mortgage regulation for Barclays to assess whether the mortgage would be affordable before agreeing to transfer the mortgage into Miss N's sole name. There doesn't seem to be any dispute that the mortgage wasn't affordable for Miss N. The mortgage was in arrears and Miss N had told Barclays she couldn't afford the monthly payments.

Miss N and Miss D agreed that Miss N would live in the security property and make the mortgage payments. But this remains a joint mortgage and both parties are jointly and severally liable for the debt. Any missed payments, arrears or reduced payment arrangements will be recorded on both of their credit files.

I don't think it was unfair for Barclays to contact Miss D about the arrears. She's jointly liable for the debt and it's right that she's made aware of the arrears and that this will be recorded on her credit file. Keeping Miss D informed meant she had the opportunity to make up the payments (if she was able to do so) or agree a payment arrangement, to avoid the situation worsening and having adverse data on her credit file.

Barclays didn't receive income and expenditure information from Miss D. It didn't have the opportunity to assess whether she was able to contribute to the mortgage payments. I must be fair to both parties. I don't think I can fairly find that Barclays ought to have reduced the interest rate or refunded interest when one of the parties to the mortgage might have been in a position to make the payments.

The new complaint about online access to the mortgage current account

After the complaint came to us, Miss D raised new issues regarding the lack of online access to the mortgage current account. She said this resulted in them exceeding the overdraft limit and the interest and charges applied by Barclays are excessive. Miss D says the problem was due to Barclays recording a marital dispute marker on the account without telling them.

Our investigator asked Barclays to look into the problems with online access to the account. Barclays said it would do this and recorded a new complaint.

Miss D told us she's now able to access the account. She said Miss N should contact Barclays and raise a complaint in her own name. She said Barclays should liaise directly with Miss N and not share details of Miss N's complaint with her.

We haven't received a final response letter relating to this complaint or the information we'd need to look into the issues raised. It's not clear if Miss N has consented to us looking into this matter, or even raised a complaint with Barclays. In the circumstances I can't fairly look into or make any findings related to these matters. If Miss N does want to raise a complaint about this, she should contact Barclays.

What happens now?

For the reasons set out above, I'm not upholding this complaint. I understand that Miss N has now cleared the arrears and repaid part of the mortgage loan. This might give Miss N and Miss D more options. For instance to take out a preferential interest rate product or refinance in Miss N's sole name. She might consider whether a lifetime mortgage or equity release product is available and suitable. If they haven't done so, Miss N and Miss D can consider speaking to Barclays or an independent financial adviser about their options.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D and Miss N to accept or reject my decision before 13 February 2025.

Ruth Stevenson
Ombudsman