

The complaint

Mr J and Mrs C complain that Barclays Bank UK PLC caused significant delays in their remortgage to it. Although they'd started the process in good time, they still ended up paying a much higher interest rate to their old lender before they were able to move their lending.

What happened

Mr J and Mrs C wanted to remortgage from a different lender, to Barclays. They said their existing mortgage deal ended at the end of April 2024, but they started their remortgage application in November 2023, so they thought they had plenty of time to complete their remortgage once their existing deal ended. That way, they could avoid moving onto their old lender's much higher, standard variable rate ("SVR").

Mr J said everything went wrong, when at the last minute Barclays asked for some extra legal work. Mr J said he was concerned that this wasn't asked for in every case, and he thought that Barclays might have singled out him and Mrs C for some reason.

Mr J said he wasn't able to complete this remortgage until the end of July, so he and Mrs C spent three months paying their old lender's SVR. They said that was Barclays' fault, because it hadn't mentioned this legal problem until the last minute.

Barclays said that it made an offer to Mr J and Mrs C on 22 January. But it said it could show that the lawyers Mr J and Mrs C chose to manage their remortgage hadn't approached it about the legal problem with their property until 9 April. It understood this meant Mr J and Mrs C then spent three months on their old lender's SVR, while the legal problem was sorted out. But Barclays said that wasn't all its fault.

Barclays accepted that it could have responded more quickly to the lawyers' initial query. So it said it would pay Mr J and Mrs C the difference between what they were charged by their old lender, and the interest charged on their new deal with Barclays, for one month. It would also pay £200 for the inconvenience. But Barclays said that the issue that it had been alerted to by Mr J and Mrs C's lawyers was a real problem, and needed to be resolved before it could complete a mortgage on their property.

Our investigator thought the offer Barclays had made was fair. He said that Barclays hadn't provided Mr J and Mrs C with a free legal service as part of their remortgage. And he didn't think it would be fair to hold Barclays responsible for the lawyers only alerting it to a legal problem with the remortgage on 9 April, or for the time it then took to sort this problem out.

Mr J replied to say he didn't accept that. He said the lawyers were blaming Barclays, just as Barclays was blaming the lawyers. He sent us a letter from his lawyers setting out their view of what had gone wrong. Mr J said he wanted this 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.

Mr J and Mrs C started their remortgage in November 2023. So I realise that they would be very disappointed that this wasn't completed at the end of April 2024, and they ended up paying a much higher interest rate to their old lender for three more months, before they were finally able to move their mortgage to Barclays. But from what I've seen, I don't think that was wholly or mainly Barclays' fault.

Barclays has shown us that it got correspondence from the lawyers Mr J and Mrs C appointed to process their remortgage, dated 9 April 2024. I've seen the letter these lawyers wrote, which mentions the content of this first letter to Barclays, but doesn't mention the date. Because the description the lawyers give, matches the content of the letter dated 9 April, I'm satisfied that the lawyers didn't alert Barclays to the legal problem with Mr J and Mrs C's remortgage, before this.

I'm also satisfied this was a real problem. I don't think Barclays made this up, or that it was just singling out Mr J and Mrs C for less favourable treatment. This isn't a problem that occurs with all homes, but I've not seen anything to suggest that there wasn't really an issue with Mr J and Mrs C's home.

So Barclays didn't know about the problem until 9 April. And the problem then wasn't resolved for some months.

But Barclays has accepted some responsibility here. It says, in essence, that it should have told the lawyers about how they would need to sort this out, much sooner than it did. It says it could perhaps have saved Mr J and Mrs C as much as three weeks, if it had provided a fuller response to those lawyers more quickly.

To make up for that, Barclays offered to cover the difference between the amount charged on Mr J and Mrs C's old mortgage, at the SVR, and the amount they'd be charged on their new deal with it, for a month. And it offered £200 in compensation.

I don't think it would be reasonable, in the circumstances of this case, to hold Barclays responsible for more than one month of the additional costs that Mr J and Mrs C paid. So I don't think I can fairly ask Barclays to do more than it has offered here.

Mr J and Mrs C were paying 8.74% on their existing borrowing, for May, June and July. I think that Barclays should pay Mr J and Mrs C now, the difference between the amount they would pay, on the borrowing moved to it, for a month at 8.74%, and the amount they are paying each month on that borrowing now, which is at 4.17%. And I also think it's appropriate for Barclays to pay £200 in compensation which it has offered.

I know that Mr J and Mrs C will be disappointed, but I hope I've explained why I don't think it would be fair and reasonable for me to ask Barclays to pay more than that.

My final decision

My final decision is that Barclays Bank UK PLC must pay Mr J and Mrs C the difference between the amount they would pay, on the borrowing moved to it, for a month at 8.74%, and the amount they are paying each month on that borrowing now, which is at 4.17%. And Barclays Bank UK PLC must also pay Mr J and Mrs C £200 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr J to accept or reject my decision before 3 June 2025.

Esther Absalom-Gough

Ombudsman