

## **The complaint**

Mr M and Miss R complain they were given incorrect information about the monthly payments when applying for a further advance on their Barclays Bank UK PLC mortgage.

## **What happened**

Mr M and Miss R had a mortgage with Barclays of approximately £112,000. In February 2024, they applied for further borrowing of £50,000 via an independent mortgage broker. At the same time, Mr M and Miss R were applying for a new rate on their existing mortgage borrowing, again with the help of the same mortgage broker. An application was made for both on 21 February 2024.

On 22 February 2024 an offer document was issued to Mr M and Miss R for the new rate on the existing mortgage showing the monthly payment would be £694.01. The new interest rate on the existing borrowing took effect from 1 March 2024. And Barclays wrote to Mr M and Miss R on that day to confirm their new payment would be £695.84. But this was just for the new rate on their existing borrowing of £112,000.

On 13 March 2024, an offer was issued by Barclays for the further borrowing of £50,000. This offer showed that the monthly payment for the further advance would be around £308. The offer also showed total borrowing of £162,000 and said the total new monthly payment would be £743.73 inclusive of the existing borrowing, and the further advance. But this didn't take into account the fact that a new rate was being applied to the original mortgage.

Following this offer being sent, Mr M and Ms R called Barclays twice to confirm the monthly payment was correct. And were told both times that it was. Mr M and Ms R say they accepted the offer of new borrowing based on this offer.

However, the actual total monthly payment was in fact just over £1,000 rather than the £744 that the offer had shown. And the information they'd been given in both phone calls was incorrect.

When the first payment was requested for an amount that was higher than Mr M and Miss R say they were expecting, they complained to Barclays. Barclays upheld the complaint. It agreed it had misled Mr M and Miss R by providing incorrect information within the offer. It offered Mr M and Miss R £300 compensation. Barclays wasn't willing to honour the incorrect information as it said the payment it was now collecting was correct, despite what the offer said.

Mr M and Miss R didn't accept that and referred this to our Service. One of our Investigators considered the complaint. He said that Barclays had made a mistake, but he thought the £300 compensation was fair in the circumstances. Mr B and Miss R didn't accept this as they believe they should be due more compensation. So, the complaint has been passed to me to consider and make 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.

There's no doubt here that Barclays has made a mistake. The offer it sent in mid-March 2024 set out that the total payment for the existing borrowing and further advance would be around £743. In fact, it was around £1,000. Barclays has explained why this error occurred, and I've set this out above. What is in dispute is how things should be put right. That's what this decision focusses on.

The application for the mortgage rate change and the further advance were both done via an independent mortgage broker. So, it's likely the broker would've provided Mr M and Miss R with illustrations of how much they would have to pay when taking the new rate and the further advance. Mr M and Miss R have told us they had been told by the broker that the monthly payment would likely be somewhere around £900. So, it's clear Mr M and Miss R were expecting to pay significantly more than the £743 that was set out in the offer.

Furthermore, Mr M and Miss R had received a new offer for the rate change on their existing borrowing and this showed a monthly payment of just under £700. Given they were taking almost half of the amount they had again by way of further advance, I think they should've realised that this was unlikely to be funded by just a further £43 per month.

I explained why I think Mr M and Miss R should've been aware a mistake had been made. And I think they were aware that a mistake had likely been made. I say this as they called Barclays on two separate occasions to check whether the monthly payment quoted was correct. And on both occasions they were misinformed that it was. It's very unfortunate that Barclays did give this incorrect information in the offer and during two phone calls, however, I don't think it's required to be bound by this incorrect information.

I've thought about whether Mr M and Miss R would've acted any differently had they been given the correct information earlier in March. But I'm not persuaded they would have. They were borrowing a significant amount of additional money on their mortgage, and clearly had plans for these funds. They've told us their mortgage broker had led them to believe that the monthly payment would be around £900, so I'm not persuaded that had Barclays given them the correct position that the payment would've been around £1,000 they wouldn't have proceeded with the additional borrowing.

I also need to consider that their broker should've given them clear information about how much they'd be paying given the broker was arranging both the new rate and further advance. And, for the reasons I've set out above, I think it should've also been clear to the broker that a mistake had been made.

In summary, Mr M and Miss R have suffered a loss of expectation in thinking they'd be paying less than they have to. But I think had they been given the correct payment at the start, they still would've proceeded with the further borrowing, and therefore would be in the same position they are in now.

There's no doubt that this must've been upsetting for Mr M and Miss R. They were led to believe they'd be paying less than they were originally quoted, and then they ended up paying. However, this was corrected by Barclays within a few weeks when the first payment was due and the correct amount was confirmed. And, the fixed rate Mr M and Miss R have taken is only for one year, so they can, and always would've had to, negotiate a new rate and payment with Barclays (or another lender) in 12 months' time. I've thought carefully about this, and I'm satisfied £300 is fair compensation in the circumstances, and in line with

what I would've awarded. So, I'm not going to ask Barclays to pay anything further.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Miss R to accept or reject my decision before 25 April 2025.

Rob Deadman  
**Ombudsman**