

The complaint

Mr and Mrs S have complained about what happened when they wanted to port their mortgage they held with Barclays Bank UK PLC to a new property. They've said delays by Barclays meant they were unable to port the mortgage, and led to them having to take a mortgage elsewhere at a higher interest rate and thus incur an early repayment charge (ERC) for ending their Barclays mortgage early.

What happened

Mr and Mrs S held a mortgage with Barclays and in April 2024 they started an application to port their mortgage to a new property they wanted to buy. As part of that they needed to borrow further funds.

I won't set out all the back and forth between the parties, but the last piece of information that Barclays had requested was provided on 11 July 2024. Unfortunately there was a mismatch in both how Mr S's name was spelled and in the underlying information contained in that document and so Barclays said that needed to be corrected.

In the meantime Mr and Mrs S had started an application with another lender and, because they were close to the exchange and completion dates they had agreed to, they proceeded with the other lender instead.

They redeemed their Barclays mortgage on 26 July 2024 incurring an ERC.

On 18 July 2024 Mr and Mrs S complained to Barclays about what had happened, but the call handler failed to set the complaint up. It was instead set up on 22 July 2024, and Barclays responded to it on 19 August 2024. Barclays didn't uphold the complaint, saying it didn't receive Mr S's tax overview until 11 July 2024, and as there was a mismatch in the figures and the spelling of Mr S's name it couldn't be accepted. It did, however, offer £200 compensation for the mistake made in not setting the complaint up.

Unhappy with Barclays' response, Mr and Mrs S referred the complaint to our Service where it was looked at by one of our Investigators. She didn't uphold the complaint about the delays as she felt the fact Mr and Mrs S didn't provide the last document until 11 July meant they would always have been in the same position they ended up in, but she did feel Barclays could have handled other aspects of the process better. For that she recommended the compensation be increased by £100 to a total of £300.

Barclays accepted that. Mr and Mrs S didn't agree and so the case was passed to me to decide.

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 trust Mr and Mrs S won't take it as a discourtesy that I've condensed this complaint in the way that I have. Although I've read and considered the whole file I'll keep my comments to what I think is relevant. If I don't comment on any specific point it's not because I've not considered it but because I don't think I need to comment on it in order to reach the right outcome.

I agree with our Investigator that Barclays could have done more to identify the mismatch in figures between the 2022 tax overview and 2022 tax calculation sooner, and had it done that Mr and Mrs S could have resolved that issue at the time.

But the overall outcome of this complaint doesn't turn on that. That's because Barclays needed Mr S's 2023 tax overview before it could decide whether or not it was willing to lend, and that wasn't provided to Barclays until 11 July 2024. And unfortunately once that was received it showed different figures to the 2023 tax calculation that Mr S had already provided.

Mr S has said "These two documents were provided by my professional accountant and HMRC and the figures were only a matter of pounds out due to the final assessment of my income. This is normal practice when concluding self assessment on multiple income receipts." And "At this point I believe they had everything they needed and they confirmed that they did but that some of the piece of information was slightly different to what they were expecting but again we're talking about a matter of pounds not thousands of pounds."

But the 2023 figures weren't a matter of pounds out. The 2023 tax calculation showed the tax due was £127,856 whereas the 2023 tax overview said it was £146,375.

Barclays didn't receive the 2023 tax overview until 11 July and the adviser uploaded it the same day for the underwriter to review. Mr and Mrs S were asked about the discrepancy in the figures on 18 July and they decided to proceed with the alternative lender instead.

Perhaps Barclays could have asked Mr and Mrs S about the discrepancy in the 2023 figures a couple of days sooner than it did, but overall I don't think those couple of days would have changed the overall position. Barclays simply wasn't in a position to ask Mr and Mrs S about the discrepancy in Mr S's 2023 tax figures until after it received the tax overview on 11 July.

Mr S has said the other lender didn't ask for so much information and quickly accepted their application, but different lenders have different lending policies, acceptance of risk and evidence requirements. Barclays wasn't willing to proceed without receiving Mr S's 2023 tax overview, and then once that was received queried the difference in figures to that shown on the 2023 tax calculation. That wasn't unreasonable and having seen Barclays' lending policy I'm satisfied Mr S wasn't asked for information that Barclays wouldn't have requested from other customers with a similar employment profile. And whilst I appreciate Mr S's explanation to our Service of why the figures were different, that is a conversation he needed to have with Barclays at the time to see if it was willing to accept his explanation and proceed to offer.

All that said, I agree with our Investigator that Barclays could have provided a better customer journey. The underwriter had previously identified the misspelling of Mr S's name on the tax calculations and had also queried a discrepancy in the figures between the 2022 tax overview and 2022 tax calculation. It seems the adviser didn't pass those queries onto Mr and Mrs S and so they remained outstanding in July when the issue with the 2023 tax information came to light. Whilst it wouldn't have affected the overall outcome, as there still would have been an issue with the 2023 tax figures which couldn't have been identified and questioned until after 11 July, I agree a small increase in the compensation is due for that oversight.

Our Investigator recommended a further £100, which Barclays accepted, on top of the £200 it had already offered for the delay in setting up the complaint.

I've considered all this very carefully, along with our normal approach to awards for distress and inconvenience¹. Having done so, I'm satisfied £300 compensation (£200 for the delay in setting the complaint up and £100 for Barclays not notifying Mr and Mrs S sooner about the information request) is fair and reasonable. That's because neither of these issues impacted the overall outcome, in that I'm satisfied that Mr and Mrs S would always have redeemed their Barclays mortgage and paid the ERC due to the late availability of the 2023 tax overview that Barclays required.

Whilst I've a great deal of sympathy for the position Mr and Mrs S found themselves in, I can't uphold the main thrust of this complaint and therefore I can't award any compensation for the loss in terms of the ERC or higher interest rate product (or any distress and inconvenience caused to Mr and Mrs S by Barclays requiring the information it asked for), however much Mr and Mrs S may want me to

My final decision

I uphold this complaint in part and order Barclays Bank UK PLC to pay £300 compensation to Mr and Mrs S (less any amount already paid).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs S to accept or reject my decision before 25 July 2025.

Julia Meadows

Ombudsman

¹ <https://www.financial-ombudsman.org.uk/consumers/expect/compensation-for-distress-or-inconvenience>