

The complaint

Mr and Mrs C complain that Barclays Bank UK PLC did not treat them fairly when the term of their mortgage ended and they needed to repay the mortgage current account (MCA) that was linked to the mortgage.

What happened

In 2007, Mr and Mrs C took out a mortgage with Barclays over a term of 16 years. The mortgage included an MCA, which was a linked mortgage reserve facility that allowed them to draw down additional funds.

When the mortgage term ended in 2023, Mr and Mrs C had a balance of over £200,000 on the MCA. Under the terms of the mortgage that balance was required to be repaid when the term ended.

Mr and Mrs C sought to extend the term of the mortgage, but Barclays said they did not meet its lending criteria. Barclays said it could offer a payment plan, but Mr and Mrs C did not want to choose that option as it would affect their credit file. Mr and Mrs C complained that Barclays did not treat them fairly and that it has not shown any compassion or understanding to their situation.

Barclays sent its final response to those complaints on 21 February 2023.

Mr and Mrs C continued to look for a solution with Barclays. They consider Barclays has not offered proper support such as considering the Mortgage Charter or offering a new interest rate product. As a result, they have had to sell possessions to reduce the MCA balance. Mr and Mrs C said the service provided by Barclay was poor, including that it asked inappropriate questions about whether they stood inherit money when family members died.

In November 2023, Barclays agreed a new mortgage for Mr and Mrs M for £72,000.

I issued a decision saying that we could not consider any of the complaints dealt with in the final response dated 21 February 2023 – but we could look at events from 9 February 2023.

The investigator did not think the complaints we could look at should be upheld.

Mr and Mrs C did not accept what the investigator said. They responded to make a number of points, including:

- During the period Ms C was dealing with Barclays she was not in a fit or healthy state. And this matter had a severe impact on her physical and mental health and wellbeing.
- The complaint is not just about their request for support, it is about the way they were treated. They said they were treated disrespectfully, been sworn at, had calls disconnected, and had their vulnerabilities disregarded.
- Barclays has hidden call data, edited conversations and removed names from the

information it has given them.

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 already explained that I can't deal with the complaints that was dealt with in Barclays' final response dated 21 February 2023. That was about the initial decision to decline Mr and Mrs C's application, lack of empathy shown by Barclays and poor service. But I can look at events from 9 February 2023. I can consider whether Barclays treated Mr and Mrs C fairly in the support it offered and how it treated them. Having done so I largely agree with the conclusions reached by the investigator. I will explain why.

Forbearance

When Mr and Mrs C took out the mortgage, they agreed to repay the balance in full at the end of the term, including the MCA. It was reasonable for Barclays to look for the mortgage to be repaid as agreed. When Mr and Mrs C were unable to do so, Barclays was required to treat them fairly. That would usually involve gathering information about their income, expenditure and circumstances and exploring the options that were available to Mr and Mrs C to repay the mortgage.

In practice, the options that Barclays could offer Mr and Mrs C were limited. Barclays offered Mr and Mrs C concessions such as payment plans. That was a reasonable option to offer in the circumstances and was in line with good practice. But Barclays was obliged to record true and accurate information on Mr and Mrs C's credit file – and that would include any concessions. I can understand why that wasn't acceptable to Mr and Mrs C, but it was their decision not to accept the concession that was offered to them.

The Mortgage Charter was not introduced until 30 June 2023. The purpose of the Charter was to provide support for borrowers impacted by the cost of living crisis. But by the time it was introduced Mr and Mrs C's mortgage term had already ended. So it was too late to extend the term under the Charter. And I would not usually expect a lender to offer a new interest rate product in the circumstances here. That reflects that the term had ended and the full balance of the MCA was due and payable – there was no ongoing mortgage at that point. So I don't think Barclays acted unfairly by not offering a new interest rate product.

Overall, I am satisfied that Barclays treated Mr and Mrs C fairly and reasonably and took the steps I would expect in the circumstances. It was reasonable for Barclays to explore what options Mr and Mrs C had to repay the mortgage – that included whether they were expecting any lump sums, if they could sell their home or remortgage elsewhere.

Ultimately, the issue with the application to refinance the borrowing was affordability. As the other options were not available or acceptable to Mr and Mrs C, it was not unreasonable to reduce the balance of the mortgage to help with affordability. I understand how difficult it must have been for Mr and Mrs C to sell their possessions to do that.

Barclays eventually agreed to refinance the outstanding mortgage over an extended term. Barclays considered the application sympathetically. Despite the application being outside its usual policy Barclays took into account Mr and Mrs M's wider circumstances and what was in their best interests when it approved the new mortgage.

Support

I was sorry to hear what Mr and Mrs C – and Mrs C in particular – have been through. I thank them for their honesty and openness about their very difficult circumstances. I don't doubt the impact that dealing with this matter will have had on them on top of what they were already dealing with. But after carefully considering everything that happened, I don't consider Barclays has treated them unfairly overall.

Barclays accepted that it had initially offered poor service and a lack of empathy when it spoke to Mrs C. It offered £225 for that. I can't consider that for the reasons set out in my jurisdiction decision.

Looking at the phone calls we can consider I think that Barclays has dealt with Mr and Mrs C professionally and sensitively. It was reasonable for Barclays to contact them to discuss how the mortgage would be repaid or refinanced. Barclays recognised Mr and Mrs C's vulnerability at an appropriate point and referred them to a specialist team who provided additional support. This was in line with the steps I would expect it to take.

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I can see that Barclays has disconnected phone calls it had with Mrs C. But I think the evidence supports that was likely due to technical issues rather than Barclays deliberately terminating the calls.

When Barclays provided transcripts of the phone calls it had with Mr and Mrs C, one of the transcripts showed that Barclays had sworn at Mrs C during a call. Looking at the transcript and how the conversation went, it seems unlikely that Barclays actually did swear at Mrs C. It seems more likely there was an unfortunate error with the transcription software Barclays used. I have now listed to a recording of the phone call and it supports that conclusion. Nevertheless, Barclays should have taken more care when sending Mr and Mrs C the transcript of the call. It has agreed to pay them £50 to reflect any upset this caused them. I think that is fair.

It wouldn't be unusual for a business to redact staff members names from information provided as part is a data subject access request. If Mr and Mrs C consider that Barclays has not provided all of the information it ought to when they made the request, then they can refer that to the Information Commissioners Office. But I don't think the information that I have supports that Barclays did not handle the request properly.

Shortfall

Mr and Mrs C complained that when their new mortgage completed there was a shortfall and they had to make up around £2,000 at short notice. When they did so Barclays referred them to the solicitor who was acting on its behalf in the remortgage. Mr and Mrs C later accepted an offer from the solicitor in full and final settlement of their complaint.

Usually Barclays would be responsible for things a solicitor did on its behalf. But in this case, Mr and Mrs C have already complained directly to the solicitor and accepted compensation in full and final settlement of that complaint. In those circumstances, I don't think it would be fair for me to say that we should look at that complaint again or that Barclays could reasonably be required to compensate Mr and Mrs C any further.

My final decision

My final decision is that Barclays bank UK Plc should pay Mr and Mrs C £50.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 1 July 2025.

Ken Rose
Ombudsman