

The complaint

Mr S and Mr M's complaint is about a mortgage they have with Barclays Bank UK PLC. They are dissatisfied with the communication and service surrounding the booking of a new interest rate product.

What happened

Mr S and Mr M took out their joint mortgage in 2019. It had a preferential interest rate product attached to it, which was due to end in January 2025. In September 2024 they arranged a new interest rate product for their mortgage and paid a £999 booking fee. However, they cancelled the product, and the fee was refunded at the beginning of October 2024.

On 21 November 2024, after receiving a reminder from Barclays that their existing product was expiring at the end of January 2025, Mr S applied for a new product. He paid the £99 booking fee for the product on the same day. The new product was a tracker product, which had no early repayment charge (ERC) associated with it, as it appears that Mr S and Mr M had decided to sell their home. A redemption statement was sent to their solicitor a couple of weeks later.

Mr S and Mr M have told us they assumed the tracker product had been attached to their mortgage but became worried when they received a reminder in mid-December 2024 that their product was ending soon. They contacted Barclays on 5 January 2025 as they were concerned that something had gone wrong and were unhappy with the service they'd received.

Mr S emailed Barclays again on 13 and 14 January 2025 as they hadn't had a response to their concerns. In the second of these emails, he asked that the product be cancelled.

While Mr S and Mr M had booked the new product, it appears that it hadn't been attached to their mortgage on Barclays system. Barclays corrected this on 16 January 2025 and sent Mr S and Mr M the mortgage offer for the new product.

Mr S spoke to Barclays a few days later and confirmed that they no longer wanted the product and intended to move lenders. He asked that the product be cancelled. Barclays did so and refunded the £99 fee.

Barclays responded to the complaint on 21 January 2025. It upheld it and explained the error that had occurred. Barclays apologised for the error and paid Mr S and Mr M £200 for the inconvenience the error caused them.

Mr S and Mr M were not satisfied with the response they received and referred their complaint to this Service. One of our Investigators considered the complaint, but he didn't recommend that it be upheld as he was satisfied the compensation Barclays had already paid Mr S and Mr M was sufficient in the circumstances.

On 1 February 2025 Mr S and Mr M's mortgage reverted to a variable interest rate and remained on that rate until they repaid the mortgage in March 2025 when they moved home.

Mr S and Mr M didn't accept the Investigator's conclusions and asked that the complaint be reviewed by an Ombudsman. They said that while Barclays had honoured the mortgage rate and paid them compensation for the upset they'd been caused, this had only happened after considerable effort on their part. They reiterated that by the time the issue had been resolved, they had lost all trust in Barclays. As such, they'd had to make alternative mortgage arrangements, which needed to be done quickly and so they feel they missed the opportunity to properly explore the market and secure a cost-effective alternative. Mr S and Mr M are concerned that this might result in a loss over the coming years. As such, they consider the £200 compensation is entirely inadequate.

In light of Mr S and Mr M's request for an Ombudsman to consider their complaint, it has been passed to me to consider.

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.

Barclays has acknowledged that a system error occurred that meant Mr S and Mr M's new product didn't get attached to their mortgage in November 2024 as it should have. As such, I don't need to consider whether Barclays did something wrong, I simply need to consider whether it has done enough to put things right.

I would explain at this stage, when a financial business has made an error, this Service will award redress designed to place the consumer in as close as possible a position to that which they would have been in, had the error not occurred. In this case, Barclays did that. When the error was identified, the product was attached to the mortgage on 16 January 2025. That is the position Mr S and Mr M would have been in, but for the mistake. So I am satisfied Barclays did sufficient to correct its error.

The product was then cancelled and the application fee refunded at the request of Mr S and Mr M. They've explained that this was because they'd lost faith in Barclays and so didn't want to keep their mortgage with it. I can understand that they may have wanted to look elsewhere for their new mortgage, given the recent error on Barclays part, and that is a decision they were entitled to make. However, that didn't mean they needed to cancel the new product to do so – as there was no ERC associated with it, which they would have known due to the information they were given in November 2024 and January 2025. So they could have left the product in place and still left Barclays without the need to pay an ERC. As such, I don't consider it would be reasonable to ask Barclays to pay the additional interest Mr S and Mr M paid in the approximately seven weeks between their old product expiring and them repaying the mortgage.

Mr S and Mr M have said that the £200 is not sufficient to compensate them for the worry they experienced and the effort they had to go to in order to sort out the problem. They told Barclays that they began to think something might have been wrong when Barclays contacted them on 12 December 2024 to remind them that their existing product was going to expire and they could arrange another one. However, it was not until the beginning of January 2025 that they contacted Barclays to make it aware of their concerns. Barclays identified and corrected the error ten days later. Mr S and Mr M have also said that they had to arrange their new mortgage quickly and this might mean they will be disadvantaged going forward. I have seen nothing that indicates that is the case, and it would appear from the selection of a tracker rate with no ERC payable, that Mr S and Mr M were able to consider

their options for the new mortgage as early as November 2024. I am satisfied that the £200 Barclays paid Mr S and Mr M is proportionate and appropriate in the circumstances.

My final decision

My final decision is that I do not uphold this complaint as Barclays Bank UK PLC corrected its error and has already paid an appropriate amount of compensation.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr S and Mr M to accept or reject my decision before 16 October 2025.

Derry Baxter
Ombudsman