

The complaint

Miss M and Mr P complain that Barclays Bank UK PLC has not treated them fairly when administering their mortgage.

What happened

In 2008, Miss M and Mr P took out a mortgage with Barclays. The mortgage had a mortgage current account reserve facility (MCA) that allowed additional borrowing.

In January 2024, Miss M and Mr P stopped making payments to the mortgage.

On 19 September 2024, Barclays wrote to Miss M and Mr P to say that it was cancelling the MCA from 29 September 2024 and the full balance was repayable.

They complain about the service provided by Barclays and in particular:

- Barclays has incorrectly written to them to say they were in breach of contract.
- They often do not receive letters that Barclays claims to have sent or receive them months late – and it incorrectly recorded a “gone away” marker on their account. Barclays responses to that have been inconsistent.
- Barclays has not called them back as promised on a number of occasions.
- They experienced difficulties in setting up arrangements to resume their mortgage payments and repay arrears. Barclays did not contact them to arrange that.
- Barclays did not properly take account of their mental health or that they were vulnerable.

The investigator thought that Barclays should pay Miss M and Mr P a total of £450 for any distress and inconvenience caused by this matter.

Barclays accepted what the investigator said. Miss M and Mr P did not.

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.

When Miss M and Mr P brought their complaint to us they said they wanted us to look at the whole history of their relationship with Barclays. But I either do not think we should do that or do not the power to do so.

We’ve previously dealt with a complaint from Miss M and Mr P about the fees and charges applied by Barclays and the customer service they received after September 2023. That included post being received late and Barclays not responding when it said it would. I won’t

be dealing with any events that were considered or excluded in the previous complaint. Our rules allow me to dismiss a complaint for that reason. That reflects that there is finality for both parties once we've issued a decision.

Barclays sent final responses to this complaint on 19 June and 29 August 2024. Any complaints that were dealt with in earlier final responses have been referred outside the time limits in our rules.

Repayment letter

It was not necessarily unreasonable for Barclays to write to Miss M and Mr P to make a formal demand for repayment of the MCA. I am satisfied that was a step it was entitled to take in view of the position of the account. But Barclays has told us that its intention was to make Miss M and Mr P contact it to see if it could reach an affordable payment plan. If that is correct, then I agree with the investigator that the letter was unnecessarily heavy handed and caused some avoidable distress, particularly as Mr P said he'd already scheduled a call with Barclays when he received the letter. I will take all of that into account in my award below.

Post

The evidence I have does not support that there has been any error by Barclays in sending Miss M and Mr P letters. It seems more likely than not that correspondence was sent on the date on the relevant letters. Most post does reach its intended recipient. But I'm afraid I can't offer a further explanation for any delays or say that Barclays was responsible for the impact of any delays on Miss M and Mr P.

The circumstances around why a "gone away" marker are unclear. That stopped automatically generated letters from being sent, but not any letters that Barclays manually posted. Barclays can't say why the marker was put on Miss M and Mr P's account. But we do know that at one point Mr P had asked for correspondence not to be sent to him.

I'm not sure the evidence we have supports that Barclays issued letters that did not include its letterhead. But even if it did not do so, I don't consider that could have caused any financial loss or that there was any real material impact I could fairly tell Barclays to compensate Miss M and Mr P for that – even taking into account the wider circumstances.

The evidence I have does not support that Barclays accepted it had an issue with its post. I do not consider it does so in the phone call Mr P has referred to.

Call backs

Barclays has accepted that it has not always called Mr P back as promised. And the investigator identified further occasions where Barclays did not contact Mr P when it said it would or where calls were disconnected any Barclays did not call Mr P back.

Mr P has told us that because of his personal circumstances it is particularly important that Barclays to contact him at the agreed time. I have taken that into account below.

Arrangements

Barclays had a duty to treat Miss M and Mr P fairly when they were in arrears. It was reasonable for Barclays to attempt to gather information about Miss M and Mr P's income and expenditure to explore what they could afford to repay the arrears on their mortgage.

But a payment arrangement or other concession could only be agreed if both sides meaningfully engage with each other. I do not consider the failure for payment arrangements to be agreed was as a result of any error or failure by Barclays. It appears that Miss M and Mr P were unwilling to enter into any agreement because of their wider dissatisfaction with Barclays – they refused to give Barclays details of their income and expenditure. That was their decision. But Barclays could not assess whether there was any affordable concession without that information.

Vulnerability

I agree that Barclays could have identified Miss M and Mr P's vulnerable circumstances sooner than it did. If it had done so, then it would have provided additional support to Miss M and Mr P at an earlier stage. But it would not have changed anything regarding how the mortgage was otherwise administered. So I don't think it would have made any real difference to the issues that Miss M and Mr P experienced.

Putting things right

I was sorry to hear of the impact of this matter on Miss M and Mr P. I don't doubt anything they've told us. I am only looking at a relatively small period of time. But even if I accepted everything that Miss M and Mr P told us I would not have any reasons to increase the amount of compensation proposed by the investigator. There is no financial loss that has been caused by anything Barclays did or not do. So that leaves compensation for any distress and inconvenience it caused.

There was clearly some distress and inconvenience caused over some time. In all the circumstances, I consider that a total award of £450 is a fair and reasonable way to settle this complaint. That is in line with the awards we make bearing in mind where Barclays has not treated Miss M and Mr P fairly or reasonably.

I appreciate that Miss M and Mr P feel there has been an accumulation of issues that look small in isolation, but add up to something significant. That is why out of "desperation" they felt they had no choice other than to stop making their payments. Whether they make the payments that were due to their mortgage or not is up to them. That in itself would not prevent me awarding compensation where Barclays has not acted fairly – and my award here reflects that Barclays has not always treated Miss M and Mr P fairly or reasonably.

In saying that, by not making payments to the mortgage, it has fallen into arrears. It is reasonable for a lender to take action to recover the arrears in those circumstances. That in itself would be a stressful thing to deal with and there will be additional inconvenience in dealing with that. That is not to downplay what Barclays did or did not do. Rather, it is to illustrate that some of the distress and inconvenience Miss M and Mr P has experienced is likely to flow from their decision not to pay their mortgage. But I could not fairly say that Barclays should compensate them for any worry or stress that has caused.

My final decision

My final decision is that Barclays Bank UK Plc should pay Miss M and Mr P a total of £450.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M and Mr P to accept or reject my decision before 9 July 2025.

Ken Rose
Ombudsman