

## The complaint

Mr A and Mrs S complained that Barclays Bank UK PLC wouldn't honour the rates that it showed them for their Buy To Let mortgage, and had previously given them a two-year fixed interest rate mortgage deal which only ran for 21 months.

## What happened

Whilst this complaint is brought by both Mr A and Mrs S, as the mortgage is in both their names, our dealings have been with Mr A. So I'll mainly refer to him in this decision.

Mr A said he'd first been informed that his Buy To Let ("BTL") mortgage was due to change rates in early January 2024. He said that he applied for a new rate in May, but after he accepted a rate, Barclays called him to say that it had made a mistake, and it couldn't give him the rate he wanted. Mr A said this left him with no choice in his then circumstances, he had very little time before his old rate was due to end, so he took the revised rate that Barclays offered.

Mr A said this was supposed to be a two year fix, but it actually ran for 26 months. Mr A thought Barclays had done that because this rate was higher. Mr A said he also wanted to complain that when he previously fixed a rate, in 2022, he wanted a two year fix, but the rate was only fixed for 21 months.

Mr A said Barclays should give him three months more at the old rate. Then he thought it should apply the new rate he'd initially been offered, not the rather higher rate it later said he could have. And he thought it should waive his Early Repayment Charge ("ERC") so he could go to a new lender. He didn't think the payment of £100 that Barclays offered was enough for what had gone wrong here.

Barclays disagreed with that. It accepted it had made a mistake in May 2024 because it had sent Mr A a list of rates which were for properties with a loan to value of 75% or less, and his loan to value was higher than this. But it had noticed the problem, got in touch with him promptly to apologise, and put the rate he was entitled to onto his mortgage as a matter of urgency, so he wasn't charged the standard variable rate ("SVR") when his old fixed rate ended. Barclays said it would pay Mr A £100 to apologise for sending him the wrong rates initially in early May, but it didn't think it had to do more than that.

Our investigator didn't think this complaint should be upheld. He said that Barclays had spoken to Mr A on 9 May, and told him his loan to value was over 75%. He had then been sent an email with the wrong rates, which he applied for on 28 May. But Barclays called Mr A on 30 May, to tell him about this mistake, and put a different rate in place for him. So Mr A didn't get the rate he wanted, but he'd never been eligible for that rate.

Our investigator thought the payment of £100 that Barclays had offered was enough to make up for the inconvenience of applying again and the disappointment of not having the lower rates available. He didn't think Barclays had to give Mr A a rate he wasn't entitled to, just because it had made a mistake. And he didn't think Barclays had to waive Mr A's ERC now.

Our investigator said that when Mr A applied for a fixed rate previously, in 2022, he had taken a deal with a specified end date. The offer he got then was clear that the fixed rate would expire on 31 May 2024, and would cover 21 payments. So our investigator didn't think Barclays had to allow Mr A longer on the rate he'd previously taken.

Mr A replied that he'd been told in January that his property was worth more, so he thought that Barclays had made a mistake about that. But our investigator said he didn't have any evidence that Mr A had called Barclays in January to discuss deals available, and the email which made a mistake about the loan to value of his property had been issued in May. And our investigator said that on 9 May, Mr A had been told the loan to value of his property was over 75%. So our investigator didn't change his mind.

As no agreement was reached, this case came to me for 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.

I've reached the same overall conclusion on this complaint as our investigator.

Firstly, I've checked the offer documentation that Mr A and Mrs S received in 2022. That is clear, as our investigator said, about the end date of the fixed rate that was on offer. And, as our investigator noted, Mr A and Mrs S took this mortgage out with the assistance of a broker. So it was the responsibility of their broker, not Barclays, to make sure that they understood all the terms of the offer at the time, and that it was suitable for them. For those reasons, I don't think that Barclays has to extend the term of the fixed interest rate in that 2022 offer, now.

Turning now to Mr A's 2024 application for a new fixed interest rate, I've listened to the call Mr A had with Barclays on 9 May 2024. I can hear that on this call, Barclays told Mr A the loan to value for his property was over 75%. Mr A expressed surprise at that. Barclays' agent explained that the valuation can change over time, and that there wasn't scope to challenge this unless Mr A had made property improvements. So I do think Mr A clearly understood at this point, in early May, what the loan to value for his property would be.

I also note that Barclays discussed the rates which Mr A and Mrs S could qualify for, on that call. This was consistent with the rate Mr A and Mrs S later secured, at the end of May. The rates discussed on this call weren't consistent with the rates that Barclays initially emailed to Mr A, which I understand happened after this conversation.

I do think Mr A was aware of the rates that he could qualify for, in early May. I don't think Mr A only found out about the interest rates Barclays would give him at the very end of May, immediately before his old rate was due to expire. I can hear that Mr A ended the call on 9 May without booking a rate, but instead saying he wanted to think about things. So Mr A could have taken steps to remortgage elsewhere if he wished to do that. And in particular, if he thought Barclays' valuation was too low, remortgaging elsewhere may have allowed him to challenge or change the valuation.

Barclays accepts it issued rates to Mr A which weren't suitable for him, because they were only for properties with a loan to value below 75%. That was a mistake, and I understand it would have been disappointing for Mr A and Mrs S to find that they weren't eligible for these rates, and would have to pay the higher interest rate on their property which they'd previously discussed with Barclays. But, like our investigator, I think the appropriate outcome here is for Barclays to pay compensation to make up for the disappointment that they

experienced, and for the extra time taken to sort this mistake out. I don't think Barclays has to give Mr A the lower rate, just because of its mistake here in sending out the wrong figures by email.

Mr A complains that this fixed interest rate deal wasn't for two years either. Here, he says Barclays has given him more than two years on this rate, and he thinks Barclays only did that because this is a much higher interest rate. But again, I think the offer Mr A and Mrs S received was clear about how long the rate was fixed for, and when it would end. So I don't think Barclays has to shorten this rate now.

I understand that Mr A has been very unhappy with how Barclays has managed his mortgage. But I don't think that means it would be fair and reasonable for me to ask Barclays to waive the ERC now, so Mr A can remortgage elsewhere.

I know that Mr A and Mrs S will be disappointed, but I don't think this complaint should be upheld.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A and Mrs S to accept or reject my decision before 24 July 2025.

Esther Absalom-Gough

**Ombudsman**