

The complaint

Mr P, Mr P1 and Mrs P complain that Barclays Bank UK PLC misled them about the end date of the tracker interest rate deal on their mortgage, and put in place a fixed rate that they don't want. They wanted this rate removed from their mortgage.

What happened

Whilst this complaint is brought by both Mr P, Mr P1 and Mrs P, as the mortgage is in all their names, our dealings have been with Mr P. So I'll mainly refer to him in this decision.

Mr P said he wanted to complain about a fixed interest rate mortgage deal that Barclays sold him, before his existing tracker rate deal was due to expire. Mr P said he would have been better off if he had stayed on the tracker deal, as the Bank of England later reduced interest rates.

Mr P said Barclays had told him that his tracker rate would finish at the end of September 2024, which was wrong, as it was only due to end at the end of February 2025. Mr P said he should have been offered a two year fixed rate, or Barclays should have explained the situation to him when it offered him a five year rate, and let him decide.

Mr P said he'd been sold this fixed rate in September 2024, when Barclays called him and said his existing tracker rate was expiring. Mr P said he wasn't aware of the new rate, he didn't know it had been applied to his mortgage, or that he was now on a five year fixed rate deal. He wanted this deal taken off his mortgage, all the fees he'd paid refunded, and £200 in compensation.

Barclays didn't think it had done anything wrong. It said it had applied a new rate to Mr P's mortgage rather earlier than he said. It spoke to him in May 2023, and he took out a new fixed interest rate for five years, at that time. Barclays said it had sent him all of the relevant documentation at the time.

Barclays said it was sorry that when Mr P tried to complain, it had given him an email address that didn't work. But it didn't think he should be paid compensation, just because of that.

Our investigator didn't think this complaint should be upheld. She said that Barclays had demonstrated it hadn't misled Mr P. He had been on a tracker mortgage, before talking to Barclays in May 2023 about reducing his mortgage payments. Mr P wanted to bring his payments down. The agent Mr P spoke to explained that Mr P would be better off on that tracker rate if the Bank of England base rate decreased, but Mr P wanted to reduce his outgoings. He had an appointment with a mortgage advisor, and following this Mr P agreed to the five year fixed rate being applied to the mortgage.

Our investigator didn't think Barclays had got things wrong here.

Mr P didn't agree. He said that our service had ignored the evidence. He said Barclays had told him his rate would finish on 30 September 2024, but it was due to run until 28 February

2025. He said he should have been offered a two year tracker starting after his existing product ended, or the advisor should have explained the situation when he offered a five year rate.

Our investigator didn't change her mind. She said she could send Mr P the call transcript if he wanted, but Mr P just said Barclays hadn't offered him the lowest rate at the time. Our investigator said she thought Barclays had offered the lowest rate product based on the requirements Mr P had discussed with it on the relevant call. Mr P said he'd been told that Barclays had taken advantage of him, and he thought we must conclude that too.

Because no agreement was reached, this case then 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.

Mr P referred to changes made to his mortgage in September 2024, but the fixed interest rate which is on his mortgage now, was taken out in May 2023, following Mr P's discussions with Barclays.

I've read the transcripts of the calls that Mr P had with Barclays. Mr P explained his business had seen a drop in income, and needed some investment. He anticipated things picking up in the future, but that time he was very focussed on reducing the monthly payments on this mortgage.

On 22 May 2023 he spoke to Barclays. Barclays' agent told Mr P he was on a tracker mortgage, and the increase in the Bank of England base rate meant his payments were rising.

The agent explained why the payments were rising, but also said he'd be better off on a tracker rate if the base rate came back down again. But Mr P expressed his opinion that rates were going to rise again. A mortgage advisor appointment was booked in for him on this call.

The agent told Mr P on this call that he had no early repayment charge on his mortgage. I can't see that Barclays misadvised him about when his existing tracker rate was due to end.

On 24 May, Mr P spoke to a mortgage advisor. That advisor did discuss different terms for fixed interest mortgage rates with Mr P, but Mr P was clear he wanted the cheapest available rate at the time. Mr P said he understood that fixing for a shorter period would mean a higher interest rate, which the agent confirmed.

Mr P repeated his belief that interest rates were going to rise, on this call. He thought rates would probably have to rise a couple of times. The agent said he couldn't advise Mr P on likely changes to the base rate, because so many factors could affect that. So it was clear that this prediction about future rate rises was Mr P's view, this wasn't influenced by the advisor. And it does appear that this was driving his decision-making at the time.

It may be worth noting here that Mr P was right about this. The Bank of England increased the base rate in June 2023, and then again in August 2023. Rates didn't start to drop again for a year. So by fixing when he did, Mr P avoided the impact of these rate rises on his mortgage.

The new rate Mr P was taking out did have an ERC. I can see this was explained to Mr P at the time.

Mr P's broker contacted him later in 2024, presumably in anticipation of his previous tracker deal expiring on 28 February 2025. It was after this that Mr P complained.

I haven't been able to see that Barclays misled Mr P about the end date of his existing deal, or that it mis-sold the new rate to Mr P in May 2023. Reading the transcripts of the calls Mr P had with Barclays at the time, it appears that Mr P had correctly predicted that interest rates would rise again shortly, and was seeking to avoid the impact of this, at a time when his business was going through a reorganization and wasn't generating much income.

I don't think that Barclays has been unfair or unreasonable here, and I can't see that it took advantage of Mr P or misled him in any way. I know Mr P 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 P, Ms P and Mr P to accept or reject my decision before 28 July 2025.

Esther Absalom-Gough
Ombudsman