

The complaint

Miss B complains that when she changed her mortgage with Barclays Bank UK PLC trading as Woolwich in 2014, she didn't get an offset mortgage. She says Barclays confirmed in 2022 that she did have an offset, before later saying she didn't.

What happened

Miss B said she and her then partner took out this mortgage with Woolwich many years ago. Some time after that, the other party was removed from the mortgage.

Miss B said she'd understood that this mortgage was initially an offset mortgage, and remained an offset mortgage after the other party was removed. She said she'd agreed to change the basis of some additional borrowing at the time when the other party was removed, and she knew that wasn't offset, but she said she wouldn't have divided her mortgage into two parts, in this way, unless the original mortgage remained offset.

Miss B said Barclays had sent her correspondence confirming that her current account was linked to the mortgage account. She sent us a letter dated 16 July 2014, which said that Barclays had opened a Mortgage Current Account ("MCA") for Miss B, and said this – *"If you decide to use this Mortgage Current Account for your Offset facility, you will receive a monthly statement when there has been activity on the account."*

Miss B said that in 2022, she'd put some savings into an account with Barclays, and asked for this to be linked to the mortgage. She said Barclays confirmed in May 2022 that the accounts were linked. But then she received interest on those savings, so she complained to Barclays. Miss B said Barclays didn't deal with her complaint about the mortgage type at the time.

Our service has already reached a decision that we're not able to look at the sale of Miss B's mortgage in 2014, which was the subject of her complaint in 2022. I don't propose to reopen that conclusion here.

But the complaint letter sent to Miss B in September 2022, didn't deal with the wrong advice Miss B had received on a web chat in May 2022. Barclays responded to Miss B's complaint about that in 2024, and our service is able to look at that issue now.

Barclays has accepted it had given Miss B some incorrect information in this web chat, wrongly confirming that her accounts were linked to her offset mortgage. Barclays said that was just a result of some confusion on the part of the agent, and it apologised. But it didn't think that changed the underlying position with her mortgage. Barclays said the original decision it made in 2022 hadn't changed, and if Miss B wasn't happy with its latest response, dealing with the web chat mistake, she could bring a complaint to our service just about that.

Our investigator didn't think Miss B's complaint about the content of a web chat she had with Barclays, should be upheld. He said the mistake made by Barclays didn't mean Barclays had to change the nature of Miss B's mortgage. He said Barclays had made an offer of £200, which he thought would still be open to Miss B, and she could ask Barclays to pay that

if she wanted to.

Miss B replied to disagree. She wanted an ombudsman to consider her complaint, so this case was passed 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.

I've looked at the sort of mortgage that Miss B got in 2014, and Miss B did have a special sort of mortgage then. Her borrowing was divided into two sub-accounts. On one of these sub-accounts, Miss B was entitled to take extra borrowing, without having to apply for it. She could access that extra borrowing using a Mortgage Current Account facility. But, importantly, I can't see anything in the offer Miss B got in 2014 to say that she could put savings into her Mortgage Current Account, or any other account with Barclays, and have those savings offset against her mortgage in order to reduce the interest charged on her mortgage. So Miss B didn't have that sort of offset mortgage, once this borrowing was moved into her sole name in 2014.

Miss B thought she did have an offset mortgage. So she said when she put some money into savings with Barclays in 2022, she was surprised to receive a payment of interest. She thought these savings should be reducing the interest charged on her mortgage, instead of earning interest. So she contacted Barclays about this in May 2022.

I've read the screenshots from May 2022 that Miss B has sent to our service, and I do think that Miss B was wrongly advised on this web chat. She was told that her accounts, including for her savings, were all linked to her mortgage. This wasn't the case, as Miss B doesn't have an offset mortgage. I think this was an unfortunate misunderstanding by the agent responding to her, but I also think that as a result of this, the confusion about the status of Miss B's mortgage wasn't cleared up right away.

Miss B told us that she noticed that her savings received a payment of interest again in June 2022, and she queried that. So I don't think the mistake on the web chat in May 2022 caused a considerable delay.

Barclays has accepted it made a mistake. So I've checked to see what it's offered to do, to put things right. Here, I can see that when Barclays responded to Miss B's complaint in 2022, it said it would still pay her the £200 it had offered, for delays and inconvenience in making her complaint. It said then that this offer would remain open. And I note that Barclays' more recent letter of 24 December 2024 says that its original decision remains the same, which would include this offer of £200.

I think that this payment would provide a fair outcome to the part of Miss B's complaint I'm able to consider now, about the wrong information in a web chat. Because I think paying that is part of providing a fair and reasonable outcome to this complaint, I will ask Barclays to make that payment now, if it hasn't already done so.

I know that Ms H will be very disappointed by my decision, but I don't think Barclays has to do more than that.

My final decision

My decision is that Barclays Bank UK PLC trading as Woolwich should pay Miss B the sum of £200 which it originally offered in September 2022, if it hasn't already done so.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 19 August 2025.

Esther Absalom-Gough
Ombudsman