

The complaint

Mr and Mrs G complain that Barclays Bank UK PLC misled them that no early repayment charge (ERC) would be applied if they repaid their mortgage. They ask that the ERC is refunded.

What happened

Mr and Mrs G had a fixed rate product that was due to expire on 31 March 2025. Mr G called Barclays in February 2025 to ask how to repay the mortgage without incurring an ERC. Barclays sent a redemption statement. Mr and Mrs G repaid the mortgage in February 2025.

Barclays applied an ERC, which Mr and Mrs G say is unfair. They say Barclays didn't tell them they had to repay the mortgage on or after 3 March 2025 to avoid incurring an ERC. Mr and Mrs G say the redemption statement didn't explicitly say this or explain the consequences of repaying it before 3 March 2025.

Barclays said it had correctly told Mr and Mrs G to make the payment on 3 March 2025 to avoid the ERC. It said despite this something had gone wrong which resulted in Mr and Mrs G repaying the mortgage too early. On this basis, Barclays paid £200 as an apology for mismanaging their expectations and refunded 50% of the ERC.

Our investigator said the information Barclays gave to Mr and Mrs G was clear and fair – that they could make a payment on or after 3 March 2025 without incurring an ERC. She said she wouldn't expect Barclays to hold onto the redemption payment until an ERC no longer applied.

Mr G said the redemption statement should be considered in isolation due to its importance. He said it didn't contain all major terms within it – such as the expiry date of the interest rate product or the consequences of repaying the mortgage early. Mr G said they shouldn't be expected to cross reference old documents, such as a 10 year old mortgage offer, and the consumer duty should be considered.

Mr G said the information they were given wasn't clear. He said Barclays should have checked with them and if necessary returned the payment they made in February 2025, given how close it was to the product expiry date. Mr G said this would have been in their best interests and it was obvious what they were trying to achieve.

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.

Mr and Mrs G took out their mortgage with Barclays in 2015. They chose a 10 year fixed interest rate product which was due to expire on 31 March 2025. The mortgage offer says an ERC will apply if the mortgage is repaid before 31 March 2025. Mr and Mrs G agreed to this when they took out the product.

Mr and Mrs G repaid the mortgage in February 2025. Barclays was entitled, under the mortgage terms and conditions, to apply the ERC.

Mr and Mrs G say it's unfair for Barclays to apply the ERC. They say it misled them that no ERC would be applied. They say given how close they were to the product expiry Barclays should have checked with them before redeeming the mortgage.

I'm sorry to disappoint Mr and Mrs G, but I think it's fair for Barclays to apply the ERC. I've explained why below.

Mr G called Barclays in February 2025. I've listened to this call. Mr G said they wanted to repay the mortgage and asked how to go about this.

Barclays said their interest rate product was due to expire at the end of March 2025. It said Mr and Mrs G could repay the mortgage in March 2025 without incurring an early repayment charge. Barclays said they could repay the mortgage without an ERC on 3 March 2025 (the first working day in March 2025). Barclays gave Mr G the redemption amount for a payment on 3 March 2025. Barclays said as this was some way away it would post the redemption statement. It gave Mr G the account details for the payment.

During the call, Mr G asked when he should transfer the money. Barclays said he should transfer the money on 3 March 2025. It said the figure it had given him was exactly the amount they'd owe on 3 March 2025. Barclays confirmed again later in the call that Mr G should transfer the money on 3 March 2025.

Mr G asked for confirmation there'd be no penalties and Barclays said so long as they were within March there would be no ERC.

Barclays did refer during the call to a possible interest refund if the mortgage was repaid before 3 March 2025. This could have caused confusion. But having listened carefully to the call, I think Barclays was clear that no ERC would be applied provided the payment was made in March 2025. It said this several times.

Barclays sent a redemption statement to Mr and Mrs G. This was calculated for repayment on 3 March 2025 – the date Barclays had told Mr G during the call was the first date he could repay the mortgage without incurring an ERC.

Mr G says the redemption statement wasn't clear. He says it should be reviewed in isolation and contain all relevant information – such as when an ERC would apply.

I can't fairly agree that the redemption statement should be reviewed in isolation. Barclays had given Mr G clear and fair information during the call about when they could repay the mortgage without paying an ERC. The redemption statement was issued as a result of the phone call. It was issued for redemption on 3 March 2025 – the date Barclays had told Mr G several times was the first date they could repay the mortgage without incurring an ERC. I can't fairly disregard that.

I don't think there was anything in the redemption statement that was misleading or inconsistent with the information Barclays had given Mr G during the call. I think the information in the redemption statement was sufficiently clear and fair.

The redemption statement said it was produced "*for you on 03/03/2025 (the "redemption date") and the information is valid for 30 days from this date*".

The redemption statement refers to 03/03/2025 as the intended redemption date. The

redemption statement sets out a list of possible payment dates and the amount due if the mortgage was repaid on that date. The first date is 3 March 2025 and all of the dates are in March 2025. As the redemption figures provided were for dates in March 2025 no ERC was included. No redemption amount is provided for any date in February 2025.

Mr and Mrs G say they shouldn't have to cross reference other documents to understand the repercussions of paying early. Mr and Mrs G say they shouldn't have to look back at a 10 year old contract, which some people might not have access to.

The mortgage offer is an important document. Mr and Mrs G could have asked Barclays for a copy if they couldn't find it and were unsure of the terms of the product they'd taken out. But in any case, Barclays had written to Mr and Mrs G in January 2025 to say their product was due to end in March 2025. It had told Mr G during the call that the product was due to expire at the end of March 2025. It had also told Mr G clearly that he could repay the mortgage on 3 March 2025 without incurring an ERC.

I don't think Barclays could have known that Mr and Mrs G might want to repay the mortgage during February 2025. Mr G didn't say this during the call. I think, based on what Mr G said during the call, Barclays thought Mr and Mrs G wanted to avoid paying the ERC. It fairly and clearly explained that they could repay the mortgage during March 2025 without paying an ERC. I think it was fair for Barclays to issue a redemption statement for 3 March 2025.

I can only uphold this complaint and order Barclays to take steps to put matters right if I think it made an error. I don't think it did. Barclays had to provide clear information, so that Mr and Mrs G could make an informed decision on a timely basis. I think it did this.

As I said, Barclays told Mr G several times during the call they could repay the mortgage on 3 March 2025 without an ERC. When Mr G asked when they should transfer the money Barclays said 3 March 2025. When Mr G asked for confirmation they'd be no final penalties, Barclays said so long as they were in March. I don't think Barclays could have known if Mr G didn't understand this.

Barclays issued a redemption statement for repayment on 3 March 2025 – as it said it would on the call. I don't think there's anything in the redemption statement to contradict what Barclays had told Mr G on the call, or suggest the mortgage could be repaid in February 2025 without incurring an ERC.

Mr G said after receiving the funds, Barclays should have checked with them and if necessary return the funds. He said this would be in their best interests due to the importance of the timing to avoid the ERC and also not find themselves on a high standard variable rate (SVR).

There's no requirement for Barclays to return Mr and Mrs G's payment, hold onto it until the ERC no longer applied or contact Mr and Mrs G to check that they intended to repay the mortgage. Mr G asked for information about how to repay the mortgage without incurring an ERC and Barclays gave him the information he needed to do this. While Mr G says its obvious what he was trying to achieve, Barclays couldn't know that there weren't reasons for Mr and Mrs G deciding to repay the mortgage in February 2025 – notwithstanding the ERC.

Mr and Mrs G's product was due to expire on 31 March 2025. The SVR would apply after this. Barclays told Mr G he could repay the mortgage during March 2025 without incurring an ERC. Mr and Mrs G had all of March 2025 to arrange the repayment of the mortgage without incurring an ERC or paying interest at the SVR.

In fairness, I should point out that Mr and Mrs G agreed to the terms of the interest rate

product (including the ERC) when they took it out. And they had the benefit of the preferential interest rate for a number of years.

In response to Mr and Mrs G's complaint Barclays refunded 50% of the ERC and paid compensation of £200 to Mr and Mrs G. This was on the basis there must have been a problem somewhere in the process for Mr and Mrs G to have repaid the mortgage in February 2025, while the ERC still applied.

I don't think it's fair and reasonable in the circumstances to require Barclays to pay compensation, refund the ERC in full or take further steps regarding this complaint.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G and Mrs G to accept or reject my decision before 5 December 2025.

Ruth Stevenson
Ombudsman