

The complaint

Mr H complains that Barclays Bank UK PLC didn't pay him his share of a mortgage refund. He also complained about how Barclays responded when he asked it to look into this. Mr H said he's a vulnerable customer, and Barclays failed to treat him appropriately.

What happened

Mr H told us he had recently redeemed the Barclays mortgage he held jointly with his ex-wife, when the property was sold as part of their divorce. Barclays owed a refund on the mortgage, of a little over a thousand pounds. In line with Barclays' policy, this money should not have been paid out until both parties had agreed on where the refund ought to be paid. Mr H said if Barclays had waited for both parties to respond on this, the money would then have been divided equally between him and his ex-wife, but instead Barclays had paid all of it to his ex-wife.

Mr H has told us about his personal circumstances, which he said meant he was a vulnerable customer, and made this situation much more difficult for him. I won't share that information here, but I have taken it into account in reaching my decision below. Mr H said Barclays was well aware of these circumstances, and he didn't think it had made appropriate allowance for them.

Mr H said he'd complained about what happened here, then had to escalate the complaint. Mr H said Barclays had breached its own refund process, had sent post to his old address, and had provided inadequate redress. He said Barclays acknowledged he'd received an unprofessional communication from a staff member.

Mr H said the £250 he had been paid as compensation wasn't enough. And he also wanted to know how the unauthorised refund to his ex-wife would be rectified.

Barclays said it would usually write to both parties about any refund due on a mortgage in circumstances like this. It said this letter had gone to Mr H's old home, because his address hadn't then been updated on its systems. It shouldn't have sent the full refund to his ex-wife without his agreement. Barclays said it hadn't managed Mr H's expectations about whether it could recall that payment.

Barclays apologised for an email Mr H received, asking him to send future emails to a different address. Barclays said the tone of that wasn't appropriate, and it fell short of the service Barclays aims to provide.

Barclays said it had paid Mr H £537.37 which was his half of the mortgage refund, so he was no longer out of pocket. It had paid £33.92 in interest on this sum, at 8%, as a gesture of goodwill. And it had paid £250 in compensation. Mr H had asked Barclays to ensure he received the same as his ex-wife, but Barclays said it wouldn't do that.

Our investigator didn't think this complaint should be upheld. She thought Barclays had acted fairly by taking the appropriate steps to acknowledge its mistake and amend the impact.

Mr H didn't agree. He said he didn't think we'd reflected the seriousness of Barclays' failings. Mr H said he wasn't treated as a vulnerable person. Barclays failed to update his address, and failed to write to him about the refund process. It then issued a refund without the necessary joint agreement, and provided at times rude and dismissive customer service when he complained. Mr H said this had caused him significant emotional distress, and he said he strongly believed that a higher level of redress was both justified and necessary to reflect the actual impact of this situation and to ensure accountability for systemic failings.

Mr H wanted his complaint to be considered by an ombudsman, so it 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 should start by saying that it wasn't clear, when Mr H last wrote to our investigator, whether he considered there were other examples of rude and dismissive customer service, other than the email which Barclays has acknowledged. Our investigator asked him to tell us if there were other examples. Mr H hasn't responded to that request, and the deadline our investigator gave for a response passed some time ago. I do now think it's appropriate to bring this complaint to a close, and I will do so on the basis of the information that our service holds now.

I appreciate all that Mr H has shared, as part of explaining to us the impact that this complaint has had on him. I understand that he has experienced previous difficulties with Barclays, and he found this case particularly upsetting because of that, as well as because of the wider circumstances he found himself in, which I won't detail here.

When a bank makes a mistake, we expect that bank as far as possible to put the person in the situation they would have been in, if that mistake hadn't happened. I think there was some initial confusion here, as Barclays had considered whether the payment which had been made could be recalled from Mr H's ex-wife. But that is, of course, not a consideration in this case. This case is about what has happened to Mr H, not to his ex-wife. And any decisions it may take about money paid to Mrs H is not something that Barclays could discuss in any detail with Mr H in any event – just as it would not discuss Mr H's personal financial affairs with his ex-wife.

So I am pleased to see that Barclays has instead focussed on putting Mr H back in the situation which he ought to have been in. It has paid him his half of the mortgage refund. It has also paid interest on top of that, which I understand Barclays chose to do instead of paying the interest Mr H could have earned in his Barclays savings account, as this generated a more meaningful amount of money for him. And it paid £250 in compensation.

I appreciate that Mr H will have found this situation very upsetting, and I also understand that there was an instance of unprofessional communication, when a customer service agent who was seeking to signpost Mr H to the complaints team struck quite the wrong tone in doing so. And I understand Mr H considers Barclays should have borne his vulnerability

more firmly in mind. However, taking all of this into account, I do think that a payment of £250, in addition to the above payments, reflects what I would expect Barclays to offer, to recognise what has gone wrong here.

I understand that Mr H may be disappointed by this, but my decision here means his complaint won't be upheld. That isn't because Barclays did nothing wrong. It's because I do think that what Barclays has done since, to try to put things right, has provided a fair and reasonable outcome to this complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 December 2025.

Esther Absalom-Gough
Ombudsman