

The complaint

Mr G, Mr G, Mr G and Miss W complain that Barclays Bank UK PLC made errors when they applied for additional borrowing and new interest rate products for three buy to let mortgages.

I'll refer to Mr G, Mr G, Mr G and Miss W together as the borrowers. One of the borrowers – who I'll refer to as Mr G1 – has dealt with the complaint.

What happened

The borrowers applied for additional borrowing and new interest rate products for three mortgages, via a broker. Barclays sent documents which set out the terms, including the new monthly payment. The borrowers say Barclays is now applying a higher monthly payment, which they didn't agree to. They say it transferred their signatures from the offers they signed to new documents with different terms.

Barclays said the monthly payments are correct. It said there was some confusion when one of the borrowers called to discuss the monthly payments and paid £250 compensation.

I sent a provisional decision to the parties, to explain why I didn't intend to uphold this complaint. In summary, I said Barclays made the borrowers aware that there would be two sets of offer documents for each mortgage – one for the further advance and one for the product switch. I said Barclays was entitled to apply the interest rate the borrowers applied for and agreed to and calculate the monthly interest payments accordingly.

Barclays agreed. The borrowers didn't agree. Mr G1 responded on their behalf and I've referred to his comments where relevant below.

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 should explain that where the evidence is incomplete or contradictory I make my decision on the balance of probabilities – that is, what I think is most likely.

The interest rate products for the borrowers' three buy to let mortgages with Barclays expired on 31 July 2024. They applied, via a broker, for new interest rate products and additional borrowing for each mortgage. They intended to use the additional funds towards the purchase of further buy to let properties. The purchases fell through, but they decided to take out the additional borrowing to provide funds for future property purchases.

Barclays issued Further Advance Offer Letters in early to mid-October 2024. These letters set out the monthly payments for the mortgage balance once the additional borrowing was added to the existing loan. The borrowers signed and returned these offer letters.

In late October 2024 Barclays issued offer letters related to the product switch. These letters set out the monthly payments (for the whole mortgage balance) at the new interest rate.

Mr G1 says they didn't sign or agree to the second set of offer letters.

Mr G1 says they agreed to the CMP in the first set of offer letters. He says it's unfair for Barclays to discard the offers they signed and agreed to and swap the monthly payment amount without their consent or knowledge.

I'm sorry to disappoint the borrowers, but I don't think it's fair and reasonable to require Barclays to apply a lower monthly payment to their mortgages. I've explained why below.

I think the borrowers were made aware that Barclays would issue two separate offers. That's because Mr G1 provided an email to him from the broker (which is undated but appears to be from late 2024) which says this. I've quoted part of this email below:

"[Barclays] told us 2 offers per property would be issued (one for product transfer rate switch, the other for the further advance additional borrowing), I advised that 2 offers would be being sent to you, instead of one combined offer. The rate switch offer would not have needed to have been signed, as this is purely a transfer to a new rate on your existing mortgage, so I was able to action this as per our discussions. However, I advised Barclays that the product transfer switch should only come into effect, **after** the further advance additional borrowing had been completed."

Mr G1 also provided an email from the broker dated April 2025. This said she'd had "some issues with getting the illustration to show the full amounts with the product switch as well as further advance". So this was a problem they were aware of in 2024.

Each Further Advance Offer Letter sets out the monthly payment for the further advance and the total monthly payment. For instance, one offer sets out the payment for the additional advance (£48) and the monthly payments for the whole balance (£191). That would mean the monthly payment for the existing borrowing was £143. That's the same amount the borrowers had been paying at their previous (2.60%) interest rate.

The 2.60% rate had expired and rates available in mid-2024 were significantly higher. I don't think the borrowers could reasonably have expected their monthly payments to remain the same when their interest rate increased.

These are buy to let mortgages. Letting property is a business, and Barclays is entitled to expect the borrowers to manage their business and the related finance accordingly.

All three mortgages are on interest only terms. The amount that the borrowers pay each month is the interest accrued, based on the loan balance and the interest rate.

The borrowers applied for and agreed to an amount of borrowing and applied for and agreed to interest rate products. I think they should fairly pay the interest that accrues on the loan at the rates they agreed. I can't fairly agree that doing so will cause them a financial loss.

If Barclays allows the borrowers to pay an amount per month that is less than the interest applied the debt would increase (the unpaid interest would be added to the balance). The borrowers would pay more interest overall as a result.

The documents issued by Barclays caused confusion. Two sets of documents were issued for each mortgage. Barclays says because the application for further borrowing was submitted in early August 2024 its system used the most recent payment (1 August 2024) when it issued the Further Advance Offer letters. That payment was based on the interest accrued in July 2024 which was at the previous (2.60%) product rate. That was due to the timing of the application rather than an error. But I can understand that the borrowers didn't

expect the monthly payment in a document issued in October 2024 to be based on an interest rate that had expired in July 2024.

It might have been easier for the borrowers if they'd had a single document for each mortgage, reflecting both the additional borrowing and the new interest rate product they'd chosen. But based on the evidence provided by Mr G1 I think they were made aware that two sets of documents would be issued: one for the additional borrowing and one for the new interest rate product.

In response to my provisional decision, Mr G1 said they weren't aware there would be two sets of documents. He said Barclays failed to make the information clear and understandable, and the further advance documents didn't say they were not final and further documents would be following. Mr G1 said if they'd known a second set of documents would be issued for the product switch they'd have waited for these before signing the documents for the further advance.

What Mr G1 says isn't consistent with the evidence: for instance the quote from the broker above saying they made the borrowers aware there would be two sets of documents, and the interest rate product switch would only take effect after the further advance had completed. I don't think it's reasonable for Mr G1 to expect the first set of documents – which he'd been told was only for the further advance – to refer to a future product switch.

Mr G1 said in his response to my provisional decision he didn't agree. But based on the available evidence, I think Barclays did make the borrowers aware (via the broker) that they'd have to sign and return the acceptance for the further advance, but wouldn't need to sign for the product switch. The broker's email I referred to above says this.

Mr G1 says signed business agreements are not subject to change. But here the borrowers applied for a new interest rate product, to take effect after the further advance. So this is a change they requested.

I don't think it's fair and reasonable to require Barclays to allow the borrowers to pay a reduced monthly payment on the basis they believed they'd be paying the monthly payments set out in the first set of offer documents. They knew a second set of offer documents would be issued for the product switch: they knew the first set wasn't the "final offer". They knew the Further Advance Offer letters were issued before the product switch, so they knew the interest rate (and therefore the monthly payment) would change. They couldn't reasonably have expected the monthly payment (of interest) to remain the same when the interest rate changed from 2.60% to 4.63%.

Barclays says there was confusion on a call about the monthly payment. It paid £250 compensation for this. I think that's fair and reasonable. The second set of documents (for the product switch) set out the correct monthly payments. So the borrowers were provided with this information. I can't fairly agree that Barclays made an error that has a substantial ongoing financial impact on the borrowers or will result in losses of thousands of pounds.

The borrowers made their complaint to Barclays on 11 November 2024 and it sent its final response on 6 December 2024. It confirmed the monthly payment was correct and paid compensation for the confusion about this on a phone call. I'm sorry that the stress and uncertainty has continued to affect Mr G1 and the other borrowers and they've had difficulty managing their finances. But I don't think Barclays is fairly responsible for this.

Taking all this into account, I don't think it's fair and reasonable to require Barclays to apply a lower monthly payment to the borrowers' mortgages, pay further compensation 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, Mr G, Mr G and Miss W to accept or reject my decision before 16 October 2025.

Ruth Stevenson
Ombudsman