

The complaint

This complaint is about a mortgage Mr M holds with Barclays Bank UK PLC. The essence of the complaint is that he believes Barclays mis-handled a temporary switch to interest-only under the provisions of the Mortgage Charter. Mr M says that as a result he was “ejected” from his fixed-rate mortgage deal a month before it was due to end.

What happened

By way of a provisional decision dated 2 September 2025, I set out my provisional conclusions on this complaint. The following is an extract from the provisional decision.

“The broad circumstances of this complaint are known to all parties. I’m also aware that the investigator issued a detailed response to the complaint, a copy of which has been sent to both parties, and so I don’t need to repeat all the details here. Our decisions are published, and it’s important that I don’t include any information that might result in Mr M being identified.

Instead I’ll give a brief summary in my own words and then focus on giving the reasons for my decision. If I don’t mention something, it won’t be because I’ve ignored it. It’ll be because I didn’t think it was material to the outcome of the complaint. Where I quote monthly payments, all figures have been taken from the annual mortgage statement issued by Barclays.

Mr M’s mortgage started in 2019, on a capital and interest repayment basis; the initial interest rate was fixed at 2.18% until 31 October 2021. When that initial deal expired, Mr M took a new fixed rate of 1.33% running until 30 November 2023.

During the autumn of 2023, with the current rate nearing its expiry date, Mr M asked Barclays if he could go onto interest-only for six months under the Mortgage Charter to help him through a period of financial difficulty. In a phone conversation on 19 September 2023 Barclays told him he needed to apply online, which he did, on 2 October 2023. The application was accepted and Barclays wrote to Mr M on 17 October 2023 to confirm that his interest-only period would begin on 1 November 2023 and end on 30 April 2024.

The letter also reminded him that his fixed rate would expire on 30 November 2023. Another letter, sent the next day, confirmed that if his current fixed rate expired during the six-month interest-only period, he could request a new rate.

Mr M’s rate ended on 30 November 2023 as planned, and his mortgage reverted to Barclays’ standard variable rate (SVR). The monthly payment increased to £1,519.90 and remained there for the rest of the six-month interest-only period. On 30 April 2024, the interest-only concession ended and the mortgage reverted to capital and interest, with a monthly payment on SVR of £2,200.83. In June 2024, Mr M agreed a new fixed rate of 4.89%, which is scheduled to run until 30 September 2025.

In January 2025, Mr M complained that he'd lost out as a consequence of the Mortgage Charter interest-only period starting from November 2023 instead of December 2023. Mr M says the monthly payment on interest-only was higher than he'd been paying under the fixed rate on repayment. Barclays admitted some customer service shortcomings for which it paid Mr M £200, but other than that rejected the complaint.

When the case came to us, our investigator concluded that Barclays had applied and operated the interest-only concession correctly. But she thought it could have checked if he could still afford the capital and interest payment for November 2023. This, she reasoned, would have allowed Mr M the opportunity to consider delaying his request for a month, and avoided the potential for foreseeable harm. To put things right, the investigator asked Barclays to refund Mr M the difference between one monthly payment on the SVR and one monthly payment on the outgoing fixed rate.

Neither party was entirely happy with the recommended outcome. Mr M said he'd effectively lost out at both ends of the transaction, because he came out of the interest-only concession a month earlier. Barclays didn't think Mr M had lost out at all, because as far as it was concerned, it hadn't done anything wrong.

What I've provisionally decided – and why

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we don't replicate the work of the courts.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else. But in doing so, we have to work within the rules of the ombudsman service, and the remit those rules give us.

I've considered all the available evidence and arguments in order to decide what's fair and reasonable in the circumstances of this complaint. Having done so, these are my conclusions, and the reasons for them. They're different from the investigator's, so this is a provisional decision to allow both parties to provide closing comments before the decision is finalised.

It seems to me that central to Mr M's dissatisfaction is that he believes the timing of the switch to interest-only deprived him of the final month of his outgoing fixed rate. If that's the case, as his own comments to us suggest, then I'm afraid Mr M has somewhat mis-directed himself. His fixed rate of 1.33% ran its full course, and he enjoyed the full benefit of both it and the interest-only concession during November 2023.

That's why, contrary to what he said in his complaint form, his monthly payment didn't immediately rise but fell, to £ 232.80, when he went into the concession. That reduction only applied for the first month, because on 1 December 2023, the mortgage reverted to SVR, just as Barclays letter of 17 October 2023 had said it would. If the switch to interest-only had taken place on 1 December 2023, Mr M would not have paid the very low instalment that applied in November 2023. He'd have paid the same amount he'd paid in October 2023, and that would have then been followed by six interest-only payments at SVR instead of five.

To help illustrate the point, I have set out in the table below the monthly payments Mr M did pay, alongside those he would have paid if the concession had been delayed a month.

Month	Start 01 Nov 23	Start 01 Dec 23
Nov-23	£232.80	£1363.57
Dec-23	£1519.90	£1519.90
Jan-24	£1519.90	£1519.90
Feb-24	£1519.90	£1519.90
Mar-24	£1519.90	£1519.90
Apr-24	£1519.90	£1519.90
May-24	£2200.83	£1519.90
	£10033.13	£10482.97

This deals with Mr M's point about the end of the concession, as it shows that, overall, between November 2023 and May 2024 Mr M paid less than he would have paid if the start date of the interest-only concession had been 1 December 2023. The unavoidable conclusion I have to reach therefore is that Mr M suffered no harm as a consequence of his interest-only concession starting on 1 November 2023 rather than 1 December 2023. Indeed, the opposite is true; he's better off by around £450.

There's something else to consider. Barclays had told Mr M in writing on 18 October 2023 that he could request a new rate during the interest-only concession. It's not apparent to me why Mr M deferred arranging a new fixed rate until after the interest-only concession had ended. Based on the evidence I have, it seems to have been his choice. If that's the case, then Mr M must accept the consequences of his choice.

I appreciate this outcome will not be welcome to Mr M, but based on everything I've read and considered, there's been no error on Barclays part, and no financial detriment to Mr M, flowing from how his interest-only concession was set up and administered. It follows that I can't fairly recommended any award of redress to Mr M."

The parties were given two weeks to comment on the provisional decision. Both have done so. Barclays accepted it without further comment. Mr M presented his own version of the table I included in the provisional decision (see below) which he says shows that he'd have paid less if the switch had taken place on 1 December 2023.

Month	Start 01 Nov 23	Start 01 Dec 23
Nov-23	£232.80	£1363.57
Dec-23	£1519.90	<i>£232.80</i>
Jan-24	£1519.90	£1519.90
Feb-24	£1519.90	£1519.90
Mar-24	£1519.90	£1519.90
Apr-24	£1519.90	£1519.90
May-24	£2200.83	£1519.90
	£10033.13	£9195.87

(The italics are mine.)

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.

Having done so, I haven't changed my mind on how this complaint should be decided. That's because there's an error of logic in Mr M's amended table. Where Mr M has misdirected himself is by substituting the figure he actually paid in November 2023 (£232.80 – which I've italicised) for the figure he would have paid in December 2023 on interest-only. But that would never have happened. Mr M's existing fixed rate ended on 30 November 2023, so he was always due to pay £1,519.90 in December 2023 on interest-only, regardless of whether the concession started on 1 November 2023 or 1 December 2023.

My final decision

My final decision is that I don't uphold this complaint or make any order or award against Barclays Bank UK PLC.

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 20 October 2025.

Jeff Parrington

Ombudsman