

The complaint

Mr H complains that Barclays Bank UK PLC treated him unfairly when he was in financial difficulty. He is unhappy with delays in receiving a final redemption statement and says this prevented him from redeeming the mortgage.

What happened

In early 2024, Mr H was struggling financially and his Barclays mortgage fell into arrears. He was in regular contact with Barclays about his circumstances and told Barclays he had another property he would sell to repay the mortgage.

Mr H's circumstances weren't improving, so Barclays agreed to move his mortgage to a reduced interest rate in mid-2024 to support him while his property was on the market. Mr H said over the following months, he had multiple offers on the property but each sale fell through.

In February 2025, Mr H sent Barclays evidence of an accepted offer on the property. On the same day, Barclays began litigation proceedings.

Unfortunately, this sale also fell through. Barclays postponed and eventually adjourned the court hearing that had been set, to allow Mr H more time to redeem the mortgage.

By mid-2025, Mr H had another accepted offer on the property. He contacted Barclays on 16 May 2025 for a final redemption statement to redeem the mortgage. But Barclays did not respond to the request. The sale completed in early June 2025, and Mr H asked Barclays again for a final redemption statement. There were delays in Barclays providing this, and it wasn't sent to Mr H until 12 June 2025.

Mr H wanted a full breakdown of the costs that were listed in the final redemption statement. He said that he was unable to redeem the mortgage, and it remains in place at present.

Mr H complained to Barclays and it agreed there had been delays in sending the final redemption statement. It offered to remove the interest Mr H was charged over the delayed period of providing the statement. It also offered Mr H £300 compensation. But it said it had treated Mr H fairly while he was in financial difficulty.

Mr H referred the complaint to our Service. Our Investigator thought that Barclays' offer was a fair and reasonable way to put things right. Mr H still didn't agree, so the complaint was passed to me for a decision.

I contacted both Mr H and Barclays to set out my initial conclusions on this complaint. While I agreed that what Barclays had offered was enough to put things right for the delays in sending out the statement, I didn't think it had been fair for Barclays to start litigation proceedings when it did. Mr H had provided evidence that he had an accepted offer on the property in February 2025 and Barclays was aware that was how he intended to redeem the mortgage. I thought it should have allowed Mr H time to complete that sale rather than proceed with litigation.

To put that right, I proposed that Barclays remove the litigation costs and associated interest from Mr H's account. I said it should increase the compensation to Mr H to £600 for the distress that the communications about court action had caused him. I invited both parties to provide any further comments.

Barclays didn't agree. It said Mr H's account had been in arrears for over a year at the time litigation started and he had already had sales fall through, so it was reasonable to start litigation when it did. It said the distress Mr H was caused was primarily due to his financial difficulties which it couldn't be held responsible for, and it felt the £300 it offered previously was fair. Barclays clarified it would refund the interest from 16 May to 25 June 2025 when the final redemption statement and further breakdown of costs was sent.

Mr H said that he had wanted to redeem the mortgage at the balance it was in June 2025 when the property sold and he requested the final redemption statement. He said that Barclays' failure to provide a detailed breakdown of the costs on the account has meant he was prevented from redeeming the mortgage.

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 thought carefully about what both Mr H and Barclays have said in response to my initial conclusions. Having done so, I've not reached a different view.

I understand Mr H wants to redeem his mortgage with Barclays using funds set aside from the sale of the property. He feels he was prevented from redeeming the mortgage in June 2025 when the property sold as Barclays didn't provide him with a full breakdown of interest and additional costs charged to the account. So, he wants to redeem the mortgage by paying the balance as it was in June 2025, rather than what it is currently.

I'm afraid I can't agree with Mr H on this. There's no dispute that Barclays caused delays in sending Mr H the final redemption statement. But I can see that by 12 June 2025, he had been provided with the total final figure by Barclays. This was followed by another statement from its solicitors on 17 June 2025. While this might not have included the level of detail Mr H wanted regarding additional costs and interest, it did clearly outline the total figure owed and the amount made up from miscellaneous costs and interest. I'm satisfied this was correctly addressed and sent to Mr H.

I consider this was enough information for Mr H to redeem his mortgage at that point. So, I can't say Barclays is responsible for further delays in the mortgage being redeemed from that point onwards. I appreciate Mr H wanted more detail on these costs, and from reviewing the contact history it appears Barclays broke down these costs over calls in the following month, but even if it hadn't, I don't think not having this information was a barrier to Mr H redeeming the mortgage.

If Mr H had questions or concerns about the additional costs or interest involved in the final redemption statement, then these could still have been raised with Barclays after the mortgage was redeemed.

So, I'm not persuaded that Barclays prevented Mr H from redeeming the mortgage after the final redemption statement was provided to him in June 2025. That being the case, I think a fair way for Barclays to put right its delays in sending Mr H the final redemption statement is to remove the interest charged to the account from 16 May to 25 June 2025, as it has offered to do.

But I am still of the opinion that Barclays shouldn't have started litigation proceedings when it did. Mr H and Barclays were in constructive communication about his circumstances and plans to redeem the mortgage, and I'm pleased to see Barclays offered forbearance to Mr H by moving him to a reduced interest rate in mid-2024. It was an unfortunate set of circumstances that saw multiple offers on Mr H's property fall through. And I appreciate that Barclays was concerned that the account had been in arrears for over a year when it began litigation. But the key point here is that Mr H had a realistic repayment strategy through the sale of another property, he was actively engaging with Barclays about this and had evidenced that he had an accepted offer on the property when Barclays decided to start litigation.

I don't consider it was fair or reasonable for Barclays to go ahead with litigation in light of this. Barclays subsequently put litigation on hold, and the court hearing was eventually adjourned which allowed Mr H time to complete the sale that followed. Barclays has said that Mr H had made promises before that he had offers on the property, but these ultimately did not lead to sales. And the accepted offer he had in February 2025 did also fall through. But Barclays had no way of knowing that would happen at the time. I can't agree it was reasonable for Barclays not to take Mr H's accepted offer at face value and allow time for this sale to proceed without pursuing legal action. Repossession should always be a last resort. And I don't consider it was reasonable for Barclays to pursue legal action while it was still viable that Mr H would redeem the mortgage.

Barclays didn't go ahead with court proceedings, but the costs of initiating litigation proceedings have still been added to Mr H's account. To put things right here, Barclays should remove the litigation costs incurred from February 2025 along with any associated interest from Mr H's account.

Mr H has also expressed how challenging and threatening he found receiving letters about legal and court proceedings when he was already in vulnerable position and doing what he could to redeem the mortgage. And this is completely understandable.

So, it's right that Barclays increases the compensation to Mr H with this impact in mind. Mr H has shared in detail the impact of all these circumstances on him. I thank him for sharing such personal information and I am very sorry to learn of the difficulties he's faced.

I've taken everything Mr H has said into account when considering the impact of Barclays' errors, while also keeping in mind that he would still have been caused a significant level of distress by the wider circumstances here, even if Barclays hadn't made any mistakes. A large part of the distress Mr H has described is the ongoing impact of his difficult financial situation and the consequences of that. Holding all that in mind, I'm satisfied that Barclays increasing the compensation to £600 is a fair way to compensate Mr H for the additional distress he was caused by litigation starting when it did.

Mr H has expressed he wants to move on from this and redeem the mortgage with Barclays. Barclays should continue to treat Mr H fairly in assisting with the redemption of the mortgage as soon as possible.

My final decision

I uphold this complaint and direct Barclays to remove litigation costs from proceedings started in February 2025 along with the associated interest from Mr H's account.

Barclays should pay £600 directly to Mr H. If some, or all, of this amount has already been paid to Mr H, it may deduct that amount from the total.

Barclays should adjust Mr H's account so that interest was not charged between 16 May and 25 June 2025.

Barclays should provide Mr H with an updated breakdown of costs and interest charged to the account following remediation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 April 2026.

A handwritten signature in black ink, appearing to read 'E. Taskas', with a long horizontal flourish extending to the right.

Emma Taskas
Ombudsman