

## **The complaint**

Mr G complains he was given misleading information by Barclays Bank UK PLC about when he could change the interest rate on his mortgage.

## **What happened**

Mr G has a mortgage with Barclays. The mortgage was on a fixed rate which was due to expire on 30 September 2025.

Mr G applied to Barclays for further borrowing and a new interest rate. Barclays treated this as an application for a new mortgage, replacing the old one in its entirety, rather than as additional borrowing to run alongside the old mortgage. This meant the old mortgage would be paid off and brought to an end by the new one.

Barclays issued a mortgage offer on 19 August 2025. The fixed rate on the new mortgage was 4.02%, compared to 4.76% on the old mortgage.

Mr G spoke to Barclays and learned that he could complete on the re-mortgage on 1 September, not 1 October. That's because Barclays has a policy whereby it will waive any early repayment charge (ERC) if a mortgage is paid off in full in the last 30 days of a fixed rate period. Because Mr G wasn't just taking a new interest rate, or taking further borrowing alongside his old mortgage, but was replacing it with a new one, this was something he could do.

Once he learned this, Mr G arranged for the mortgage to complete on 1 September. He complained that Barclays hadn't made him aware of this sooner, and that it had caused him a lot of stress and upset to try and arrange early completion at the last minute. If that hadn't been possible, he would have lost out by paying higher interest than he needed to for the month of September.

Barclays said that the mortgage adviser Mr G spoke should have told him about the policy, but forgot to do so, at the time the new mortgage was arranged. It apologised and offered £400 compensation. It also waived the £80 exit fee on the old mortgage.

Our investigator thought that was a fair offer. Mr G didn't agree. He said he had lost confidence in Barclays. He had been caused much upset and worry. He didn't think the compensation was enough. And he said Barclays should waive the ERC on his new mortgage to allow him to move to another lender.

## **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.

It's not in dispute that Barclays made a mistake here. So what I need to decide is what it should do to put things right.

There was no financial loss to Mr G. He was able to complete on his new mortgage, and

take advantage of the lower interest rate, on 1 September. This was the earliest completion could happen without him having to pay an ERC.

Barclays didn't make clear to Mr G when he applied for the new mortgage that he could complete on 1 September, not 1 October, as it should have done. But Mr G was only caused worry and upset by this mistake from when he discovered it in mid-August, not from when the mortgage was initially applied for. I appreciate that if Mr G hadn't discovered the mistake he could have ended up completing later and paying more interest – but that didn't actually happen, and I can't require Barclays to compensate him for problems that were avoided. The real impact here was the distress Mr G experienced from when he discovered the mistake, and the inconvenience due to his efforts to make sure he would be able to complete on the earlier date once he discovered it.

This was over a period of around two weeks. Taking that into account, and taking into account that Barclays resolved the problem before it caused Mr G financial loss, I think Barclays offer is a fair one. In effect, it's for compensation of £480 – a payment of £400, plus waiver of the £80 exit fee Mr G ought to have paid when ending his old mortgage. Had Barclays not made that offer, I wouldn't have required it to pay more than that.

I don't think it would be fair to require Barclays to waive the ERC so that Mr G can move his mortgage elsewhere. He has the mortgage he applied for, and which he was happy with at the time. Barclays ensured it completed at the earliest opportunity so he could take advantage of the lower interest rate in full. He's therefore in the position he would be in had nothing gone wrong. Interest rates may be lower now than they were at the time he applied for the mortgage. But that's always a risk and had nothing gone wrong Mr G wouldn't be able to leave the mortgage without paying an ERC. It's not something I can fairly require Barclays to agree to now.

### **My final decision**

My final decision is that Barclays Bank UK PLC has made a fair and reasonable offer to settle this complaint. It's already waived the exit fee. It should also pay Mr G £400 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 21 May 2026.

Simon Pugh  
**Ombudsman**