

The complaint

This complaint is brought by Mr M in his capacity as director of a limited company I will refer to as IE Ltd. Mr M says that Barclays Bank UK PLC has refused to remove a legal charge over the company's property. Mr M says the bank is wrongly claiming there is an outstanding debt.

To settle the complaint Mr M would like Barclays to remove the legal charge.

Although Mr M initially brought this complaint himself, he has now engaged solicitors to represent IE Ltd. However, for clarity I will refer to Mr M throughout as if all submissions have been made by him.

What happened

I don't need to set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr M or IE Ltd being identified. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, rounding the figures where appropriate, followed by the reasons for my decision.

In 2006 IE Ltd (then known as IWC Ltd) took out a loan with Barclays, borrowing £272,000 over a term of 25 years. The loan was secured over IE Ltd's business premises.

The crux of the complaint is that Mr M says the mortgage has been repaid, and that this reflects what the mortgage account statements show. Barclays says that in September 2013 there was a ledger error when £49,000 was incorrectly credited to the mortgage account. The bank says that the system-generated statements take this into account, but overriding these each year the bank sent an annual review letter showing the correct position on the account, which was never challenged by Mr M.

As a result, when the mortgage statements purported to show the debt had been repaid, Mr M expected the legal charge to be removed. Barclays issued a DS1 (Discharge of Registered Charge) document, but says this was in error and that there is still an outstanding debt owed by IE Ltd to the bank.

Mr M complained to Barclays. The bank confirmed the error in 2013, but due to the passage of time wasn't able to explain how this had arisen. Barclays said that IE Ltd would have been aware of the true position from the annual review letters. Barclays paid £50 for any inconvenience caused to IE Ltd, but said there had been no financial detriment.

Dissatisfied with Barclays' response, Mr M raised a complaint with our service on behalf of IE Ltd. The Investigator didn't think the complaint should be upheld. He acknowledged that Barclays hadn't been able to explain how the error arose in 2013, but equally noted that, despite requests, IE Ltd hadn't been able to provide any evidence it had paid £49,000 into the account in 2013. The Investigator was satisfied that IE Ltd was made aware of the correct position in the annual review letters.

Mr M asked for an Ombudsman to review the complaint. He says there hasn't been any official confirmation, on Barclays' headed notepaper, that an error has been made. Mr M says that Barclays' correspondence by email is insufficient to satisfy him that the bank made an error.

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 noted IE Ltd's solicitors' offer to appear before me in person to put their client's case. However, I'm satisfied that I'm able to decide the case on the basis of the available documentation. Having done so, I've reached the same conclusion as the Investigator, for broadly the same reasons.

I can see that in September 2013 a credit of £49,000 was made to the mortgage account. Barclays has said this was an error. I note that this credit wasn't reversed on the account and that it continued to show on the annual mortgage statements. Mr M relies on this as compelling evidence that the payment was made.

However, the annual review letters sent to IE Ltd in which Barclays sets out the position in relation to the company's debts make no reference to this payment. Rather, the letters show the amount of the debt owed is the full actual amount, not taking account of any credit of £49,000 to the account.

On balance, I'm persuaded that the ledger credit is more likely than not to have been an error on the part of the bank. Had this not been the case, I would have expected Mr M to have queried the position with Barclays when he received the annual review letters. For example, the annual mortgage statement ending 8 December 2017 shows the debt as being £98,000, but the annual review letter dated 13 March 2018 shows that IE Ltd owes Barclays £177,400.

In addition, Mr M hasn't provided any evidence to show that IE Ltd made a payment to the mortgage account of £49,000 in 2013. I'd have expected IE Ltd to have kept records of its turnover or other funds coming into the company, particularly where such a large sum of money is concerned. It is insufficient for Mr M to say Barclays has made a mistake whilst at the same time providing no evidence of any payment of £49,000 made into the account by IE Ltd in September 2013.

Mr M wants Barclays to confirm on its headed notepaper that it made an error, as he's not satisfied with the bank stating this by email. However, I'm satisfied that the bank is entitled to correspond with Mr M by email. In addition, I note Barclays sent its final response letter by post to IE Ltd's business address.

If Mr M is alleging Barclays has made a mistake, it is incumbent on him to provide evidence in support of his position. As he has not been able to do so, I'm unable safely to conclude that Barclays should write off the outstanding debt, particularly given that the annual review letters set out the correct position on the account, which have gone unchallenged by IE Ltd throughout the period during they have been sent.

Barclays paid £50 to IE Ltd for any inconvenience caused, which I'm satisfied is fair and reasonable in all the circumstances. I'm not persuaded there is any basis on which Barclays should be ordered to remove the legal charge or put in place any other redress.

My final decision

My final decision is that I don't uphold this complaint.

This final decision concludes the Financial Ombudsman Service's review of this complaint. This means that we are unable to consider the complaint any further, nor enter into any discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask I to accept or reject my decision before 12 February 2026.

Jan O'Leary
Ombudsman