

The complaint

Mrs J and Mr R complain that Barclays Bank UK PLC recorded incorrect information on their credit files.

What happened

Mrs J and Mr R hold a number of buy-to-let mortgages with Barclays. They've experienced a significant number of problems relating to those mortgages. This complaint is that Barclays has recorded incorrect adverse information on their credit files.

When the investigator looked at things she said another ombudsman had already made a final decision about three of Mrs J and Mr R's mortgages – we'd not look at those again. But she thought Barclays should tell Mrs J and Mr R what interest rate products were available for each of the mortgages from December 2021 up to December 2023 when the credit files were corrected. It would then be for Mrs J and Mr R to decide whether to take those rates and have them backdated or not. The investigator said that there had been a breakdown in communication between Mrs J and Mr R and Barclays so she would communicate between the parties. She also thought Barclays should pay Mrs J and Mr R £750 for any trouble and upset.

Barclays agreed with the investigator's recommendation. But Mrs J and Mr R did not. They identified a number of problems with the proposed solution, including:

- £750 wasn't enough as they had between 18 and 22 mortgages with Barclays – so it only worked out about £40 per account.
- There were too many variables. It was not clear if they'd be worse off overall if they chose the new rates, taking into account fees and early repayment charges (ERC) - bearing in mind some mortgages have been repaid and they have made overpayments,
- They would not have remortgaged all of the accounts. They'd usually remortgage one and pay off two or three others.
- The offer did not take account of the fact they could not remortgage other buy-to-let mortgages because of the incorrect information.

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.

Barclays' offer

I asked Barclays to address some of the points Mrs J and Mr R were concerned about. It made an improved offer to resolve things – and I think that is fair.

Barclays said its offer was:

1. Redeemed mortgages

- For any mortgages that have already been repaid in full, it would apply the lowest fixed rate available during the period in question of 1.31% through to redemption – avoiding the complication of determining a follow on rate at the point of the fixed term ending.
- It will rework the mortgage balance from the date this rate was available, 3 December 2021, using the above rate until redemption date.
- It will refund any difference in interest paid to Mrs J and Mr R directly.
- It will waive the product fees that would normally be payable, which are £1,795 per account, resulting in a saving of £19,745.
- No ERCs will be charged.

2. Active mortgages that Mrs J and Mr R intend to redeem

- For any mortgages redeemed by 28 February 2026 it will apply the same as in 1) above.
- It asked Mrs J and Mr R to let it know which accounts they intend to repay before 28 February 2026.

3. Active mortgages that will not be redeemed by 28 February 2026

- Mrs J and Mr R have until 28 February 2026 to indicate what product he would have chosen to move the mortgage onto from the table it shared previously from December 2021 up to 4 December 2023.
- It will recalculate the interest and the mortgage balance for each account.
- Product fees will apply for any chosen products, but it will not apply any retrospective ERCs for overpayments already processed.
- All other mortgage terms will also apply, such as ERCs.
- There could potentially be multiple product fees and switches involved here as the products with the lowest interest rates normally have 1) a shorter fixed term and 2) higher product fees. If Mrs J and Mr R were to select a two year fix in 2021, for example, it would then look at what he would have done at the point of expiry on a case-by- case basis. In order to do this, it would need Mrs J and Mr R to select the product(s) for each mortgage so it can complete further analysis.

The new offer is fair

It is not in dispute that Barclays recorded incorrect information on Mrs J and Mr R's credit file. We have evidence that they were unable to remortgage when that information was on their credit files. I consider that it is fair for Barclays to apply the redress from 1 December 2021. My colleague in another decision found that was the earliest point Mrs J and Mr R took steps to remortgage and I see no reason to reach a different conclusion. Mrs J and Mr R should be able to choose new rates as applicable up to 4 December 2023. That is the date that Barclays corrected their credit files.

The difficulty I have is that we do not know that Mrs J and Mr R would definitely have

qualified for the other mortgages. I know Mr R feels strongly that it was solely the incorrect information that prevented him remortgaging. I accept it is likely that contributed to the other lender's decision. But lenders take into account a number of factors in deciding whether to lend. I do not have enough evidence to say that but for the incorrect information they would definitely have qualified for those other mortgages. So I do not intend to take into account any mortgages held with different lenders.

I also accept that Mrs J and Mr R might have arranged things differently if the adverse information was not recorded. But I do not think it would be fair in all the circumstances to allow them to rearrange things to that extent here. I accept that the proposed resolution is not "perfect". But in all the circumstances I consider it is a fair way to put things right.

After very careful consideration, I consider Barclays's revised offer is a fair way to put things right. I'd note Mr R understood that he could only accept one of the above options. That is not correct, if he accepts the decision all three options would apply.

Communication between Mrs J and Mr R and Barclays has been very difficult. The investigator proposed liaising between the parties. But that is not our role. Barclays is a regulated mortgage lender and Mrs J and Mr R are professional landlords. I'd expect them to be able to sort out the details between themselves without our help. The redress will only work if both sides engage meaningfully and professionally with each other.

I understand that Mrs J and Mr R have in the past experienced difficulties in contacting and communicating with Barclays – and they are worried that if they accept this Barclays will not do what it has promised or communicate in a way that will enable them to resolve things as agreed. If they accept the decision, it is binding on Barclays – it is legally bound to do everything it says. That includes my directions below on how it should communicate with Mrs J and Mr R.

Barclays should make sure that the communication is clear, fair and not misleading and allows the redress to be put in place – and that it takes particular care to ensure that any administrative tasks are carried out correctly and do not cause any further problems.

If Mrs J and Mr R accept the decision Barclays should write and email them promptly with contact details for a person or team who can facilitate putting the proposed redress in place. The letter and email should set out clearly the contact methods available and the times and dates when the person or team is available. It should also include the different rates that are available for option 3, including any product fees and full details of ERCs.

It would then be for Mrs J and Mr R to contact Barclays using the contact methods it has set out. Barclays should set out clearly what information it needs. I note that Mrs J and Mr R have experienced difficulty in redeeming mortgages in the past. So Barclays should take care to make sure that it does not prevent or hinder Mrs J and Mr R redeeming any mortgages before the deadline and that the contact is able to make sure that any redemptions are processed in a timely and efficient way – particularly as the timescales are tight.

Bearing in mind the difficulties Mrs J and Mr R have contacting Barclays, the deadline for all options, including redeeming any mortgages, should be 28 days from the date it writes to them with all of the information set out above or 28 February 2026, whichever is later. And while it is reasonable to expect Mrs J and Mr R to make an initial choice for option 3 by 28 February 2026 or 28 days from Barclays' letter, it seems likely that it might take longer to finalise that bearing in mind the complexities that Barclays has identified itself. So Barclays should allow reasonable time for all the switches to be put in place under option 3.

I'd note that Mrs J and Mr R could accept the decision and decide not to progress option 3 at all because of the complexities – or only to switch some, not all of the remaining mortgages. It is for them to decide whether option 3 is the right thing for them or not. But Barclays would still be required to put in place options 1 and 2.

There might be certain scenarios where it would be appropriate for Barclays to step outside my directions in respect of communication. But it also relies on Mrs J and Mr R engaging and communicating with Barclays in a reasonable way. While I understand Mr R's strength of feeling it would not be helpful if he used this exercise to vent his feelings about how he feels he has been treated by Barclays – and I would urge him to limit any communication to putting the redress in place when dealing with this matter. He would need to go through the usual channels for any other matters regarding his mortgages not related to this specific complaint.

Lastly, I consider that £750 is a fair amount to reflect the distress and inconvenience Mrs J and Mr R suffered as a result of this matter. The amount is not based on the number of mortgages they hold. It reflects the distress and time they've had to deal with this particular matter. I understand that it is difficult for Mr R in particular to separate this issue from the others he has experienced with Barclays. But it is only intended to compensate him and Mrs J for this specific complaint. And in all the circumstances I consider it is a fair amount.

My final decision

My final decision is that Barclays bank UK PLC should pay Mrs J and Mr R £750 and take all of the steps set out above.

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

Ken Rose
Ombudsman