

## **The complaint**

Mr and Mrs H complain that Barclays Bank UK PLC incorrectly told them they could buy and renovate a property and then port their mortgage product to it. It's now told them this isn't possible. Mr and Mrs H say they will incur an early repayment charge (ERC) and lose the benefit of their interest rates when they sell their property. They say they'd have acted differently if they'd been given correct information.

## **What happened**

Mr and Mrs H have a mortgage with Barclays. They have fixed interest rate products with ERCs. The products are portable.

Mr and Mrs H wanted to buy a property and renovate it before moving in and porting the mortgage products to it. Barclays confirmed to Mr and Mrs H's broker in April 2024 that this was possible.

Mr and Mrs H bought a property, using their own funds and money borrowed from family. The purchase completed in February 2025. It was after this that Barclays told the broker it doesn't port to properties already owned by the customer.

If Mr and Mrs H repay the mortgage they will incur an ERC of about £12,000 and lose the benefit of the lower interest rates. They say they'd have made different decisions if Barclays had given them correct information in April 2024.

Barclays accepts it gave Mr and Mrs H's broker incorrect information in April 2024 and offered £400.

Our investigator said it was unlikely that Mr and Mrs H would have acted differently if they'd been given correct information. Mr and Mrs H didn't agree and asked that an ombudsman re-consider the matter. They say it's unfair for Barclays to benefit from its error, especially when it will be able to re-loan the funds at a higher rate. They say Barclays should waive the ERC if they sell the property before the products expire in late 2026 (for most of the loan) and early 2027 for the remainder.

## **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.

There's no dispute that Barclays made an error. The broker explained to Barclays what Mr and Mrs H intended to do. Barclays said there was no reason why they couldn't port the interest rate products to the new property when they finished renovations. This is what Mr and Mrs H believed to be the position when they bought the second property.

Financial businesses have a duty to provide clear information to customers to enable them to make informed decisions on a timely basis. Barclays failed to do this. It gave Mr and Mrs H incorrect information: that they'd potentially be able to port their mortgage to a

property they'd bought and renovated, and it would categorise this as a *porting – moving home application*. Barclays doesn't allow porting to a property already owned by the customer.

Mr and Mrs H say they'd have done things differently if they'd been given correct information. They say they might have waited until their product term was nearer expiry before buying a second property. They might have had a simultaneous sale and purchase so they could port the interest rate products. While this would mean living in the new property during the renovations, they say this would have been possible, and they could have stayed with family or rented while the main works were done. Or they might have bought a cheaper property, to take account of the costs of not being able to port. They say they wouldn't have chosen to put themselves into an extremely difficult financial situation.

The purchase and renovation of Mr and Mrs H's new property has taken longer than they'd expected in April 2024. Mrs H said they are looking to move in late July/August 2026. She says they'll take out a larger mortgage on the new property, and had planned that this would be with Barclays. She says Barclays would benefit from lending to them at a higher rate and on a larger balance. In the circumstances, she says it ought fairly to waive the ERC.

Mr and Mrs H don't want to wait until the interest rate products expire before selling the property. Mrs H says they want to repay the money borrowed from a family member as a priority: the family member might need funds at short notice and ought to earn interest in the meantime. She says they've been told by estate agents the property will be easier to sell and likely to achieve a higher price during the spring and summer months, and that the price difference could be as much as £15,000 as compared to waiting until December 2026. This is in addition to the costs of running two properties, and risks associated with one being empty.

I agree that Mr and Mrs H did have options and might have been able to arrange matters so that they didn't have to pay an ERC. That doesn't necessarily mean they would have acted differently, or that it's fair to require Barclays to waive the ERCs or pay further compensation.

When a financial business makes an error, we consider what effect the error had on the customer and what it should fairly do to put matters right. When considering what's fair and reasonable here, I've taken the following into account.

- In order to find that Mr and Mrs H have financial loss due to Barclays error, I'd have to find that they'd have made different decisions if they'd been given correct information. That is, they'd have organised matters to avoid being in a position where they pay the ERC. They'd have had to make a porting application when they bought the property. Or delayed repaying the mortgage until the products expire, possibly by delaying the purchase of a second property.
- The ERC is a relatively large amount of money (£12,000). It's likely Mr and Mrs H would want to avoid paying this, if possible. In April 2024 Mr and Mrs H didn't know delays would mean they wouldn't be in a position to sell their existing property until mid-2026. They'd have wanted to port the lower interest rates. Mr and Mrs H took the trouble to check with Barclays (via their broker) that they'd be able to port to a property they'd bought and renovated. So I think this was something they took into account when making decisions.
- Porting is always subject to the application meeting the lender's criteria. Mrs H says there's no reason the new property wouldn't be suitable security – the renovations were optional. She provided estate agent particulars to support this. And Mrs H says they took out a small mortgage on the property instead of applying to Barclays for additional

borrowing. Mrs H says their income has increased and she didn't anticipate any problems with affordability, even with additional borrowing. Nonetheless, I can't be certain a porting application would have met Barclays affordability tests and that the property would have met its lending criteria.

- Mrs H says they weren't told that a porting application might not be successful. Mr and Mrs H's discussions were with their broker, so I can't hold Barclays responsible if this wasn't explained to them. Mrs H said while they didn't expect any problems, they always had a back-up plan if they couldn't port or take out additional borrowing. They'd have borrowed more from family or taken out a mortgage on the new property. So it seems Mr and Mrs H were aware that porting wasn't a certainty.
- Mr and Mrs H's other option was to delay their plans, so that they completed renovations at about the time that the product terms expire. Due to the delays with their purchase and the renovations, they've found themselves close to that position.
- Mr and Mrs H have had the benefit of the choices they made. They didn't delay their plans or look for a cheaper property. Given that Mr and Mrs H continued with their property purchase despite considerable delays, I think this was a property that they wanted to buy. And not selling the first property in early 2025 meant they had the convenience of continuing to live in their property instead of living through the building works, or with family or renting (which would have meant rental costs).
- Currently, Mr and Mrs H don't have any financial loss due to Barclays error. They have not paid the ERC or lost the benefit of the low interest rates, and will only do so if they repay the mortgage before the products expire.
- Mr and Mrs H want to repay the money borrowed from family, and move on with their plans to move and sell the first property. That's understandable. But it doesn't seem there's an imperative to do this by a particular date, or before the end of 2026.
- Mrs H says they've been told that property sales in spring and summer are easier and likely to fetch a better price. But if Mr and Mrs H had decided on a simultaneous sale and purchase so that they could make a porting application when they bought the new property, that would have meant selling their first property in early 2025. So they'd have been in a similar situation in terms of selling the property at a less favourable time of year. And if they'd decided to delay their plans, with the aim that the renovations would complete at about the time the products expire, they'd be in a similar position now.
- It's unlikely Mr and Mrs H will be able to remortgage at interest rates as low as their current Barclays' mortgage products. So while there are costs associated with owning two properties for what could be an extra five to six months, it's likely these will be largely offset by the interest savings, as compared to taking out a new mortgage sooner.

Mr and Mrs H lost the opportunity to arrange their affairs on the basis of correct information about whether they'd be able to port their mortgage to a property they already own. It must have been upsetting and worrying to discover this after buying the second property. I think it's right that Barclays offers compensation for the upset this caused. I think its offer of £400 is fair and reasonable in the circumstances.

While it's possible that Mr and Mrs H would have acted differently if they'd had correct information about porting, I'm not persuaded they would certainly have done so. In addition, for the reasons I've set out above, I'm not persuaded they are worse off financially as a result of Barclays error. They're able to arrange matters to avoid paying the ERC (if this is their priority), and benefit from the low interest rate until the products expire. Waiting until

late 2026 to sell the property means Mr and Mrs H can't follow their preferred route of selling the property in the summer. However, if Mr and Mrs H had been told at the outset they couldn't port, and wanted to avoid the ERC, they'd have had to adjust their plans. It's likely this would also have involved compromises and inconvenience.

It follows that I don't think it's fair and reasonable to require Barclays to waive the ERCs, accept a porting application from Mr and Mrs H outside its lending policy or pay further compensation.

### **My final decision**

My decision is that Barclays Bank UK PLC should pay £400 to Mr and Mrs H, as it offered to do. It can deduct any amounts already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H and Mr H to accept or reject my decision before 19 March 2026.

Ruth Stevenson  
**Ombudsman**