

The complaint

This complaint is about a mortgage Mrs and Mr G hold with Barclays Bank PLC. There are various strands to the complaint, all arising from Barclays' decision not to extend the mortgage term after it had expired. Mrs and Mr G say Barclays' treatment of them hasn't taken account of their vulnerabilities and that they've not been provided with information and documentation when they've asked for it. It's a joint mortgage, both borrowers have joined the complaint, but all of our dealings on it have been with Mr G.

What happened

I do not 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, and in the Investigator's initial view, 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 Mrs and Mr G being identified.

So for these reasons, I will instead concentrate on giving a brief summary of the complaint, rounding the figures, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

Mrs and Mr G's mortgage is made up of several components, a main mortgage, an offset savings account and a mortgage current account (MCA) with a secured overdraft facility. The mortgage started in 2011, and was due for repayment in June 2025. By the end of the mortgage term the balance on the mortgage account was around £4,000 but the MCA was overdrawn by around £197,000. In May 2025, Mrs and Mr G wrote to Barclays explaining that they had thought the mortgage still had another twelve months to run, and so had invested their assets (around £1.5m) at 120 days' notice.

On 9 July 2025, Mr G had a telephone conversation with Barclays, during which a possible one-year term extension was discussed. Recollections of the outcome of this conversation differ; Barclays says it would submit the request for consideration at a senior level, but Mr G says the extension was agreed there and then. In fact, the extension request wasn't agreed, and in September 2025 Barclays initiated legal action. Mrs and Mr G complained, and Barclays issued a final response in October 2025, rejecting the complaint and referring Mrs and Mr G to our service.

Whilst the complaint was waiting to be investigated, the legal action was continuing and the case was due to go to court in January 2026. Before that happened, the parties reached an agreement, enabling the court hearing to be adjourned. When the complaint was looked into, our investigator didn't think Barclays had treated Mrs and Mr G unfairly; Mr G has asked for the complaint to be referred to an ombudsman for review.

Mrs and Mr G want the Financial Ombudsman Service to order Barclays to do the following:

- confirm the twelve-month extension the court has already granted;
- freeze or materially reduce the interest on the MCA until full redemption;

- remove any and all adverse credit entries or defaults it has placed on their credit files;
- pay compensation for distress, inconvenience, unnecessary court action and damage to health; and
- provide a written apology and confirmation that no further aggressive recovery action is taken.

What I've decided – and why

I'll start with some general observations. We're not the regulator of financial businesses, and we don't "police" their internal processes or how they operate generally. That's the job of the Financial Conduct Authority (FCA). We deal with individual disputes between businesses and their customers. In doing that, we work within the rules of the ombudsman service and the remit those rules give us. We don't replicate the work of the courts.

We're impartial, and we don't take either side's instructions on how we investigate a complaint. We conduct our investigations and reach our conclusions without interference from anyone else.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

My starting point here is that Mrs and Mr G borrowed money from Barclays and under the terms of their original agreement with Barclays, were due to repay the money in June 2025. I've noted what Mr G said in his letter Barclays of 21 May 2025 about thinking it wasn't due for another year, and that was why they invested their assets. However, I've also seen Barclays' letter to Mrs and Mr G dated 22 December 2024. I'm satisfied that letter set out in clear terms that the due date for repaying the debt was 16 June 2025.

Even if Mrs and Mr G made the investment decision before the letter of 22 December 2024 was issued to them, they'd have had ample time to give the 120 days' notice necessary to withdraw funds to repay the mortgage by the due date. Instead, they asked Barclays for an extension, and I accept they had their reasons for doing so. I won't disclose those here, in order to preserve Mrs and Mr G's privacy, but I've noted that no mention of them was made in the letter of 21 May 2025. That came later; I'll return to this point in due course.

I get the impression from listening to Mr G's conversation with Barclays on 9 July 2025 that he regarded extending the mortgage as a formality to which he and Mrs G were entitled as a matter of right. That's not the case. No one is entitled to borrow money; and even when they've borrowed before, they're not automatically entitled to more time to repay the debt after it has fallen due. But a lender must treat customers fairly. In the context of an application for a term extension, that means assessing it fairly in accordance with the bank's lending criteria and being mindful of what mortgage regulation requires of it. Lenders' criteria are commercially sensitive and not generally made public.

There are regulations in place that have flowed from the Mortgage Market Review (MMR) carried out by the Financial Conduct Authority (FCA) which took place after the financial crash in 2008. This has led to a series of major changes, effective since 2014, in the way residential mortgages are regulated. MMR regulations have brought about requirements for stricter lending assessments, aimed at protecting consumers and encouraging mortgage lenders to act more responsibly.

The FCA recognised though that existing borrowers who wanted to make changes to their mortgages might have difficulties with this if they had passed tests under the old rules but wouldn't under the new ones. So, it introduced certain rules to address this. The rules are contained in the Mortgages and Home Finance: Conduct of Business Sourcebook (MCOB).

MCOB says a lender doesn't have to carry out an affordability assessment if a borrower wants to vary or replace an existing mortgage and there is no additional borrowing (other than for product fees) and no change to the terms of the mortgage that is material to affordability.

There are also transitional arrangements which say that a lender need not carry out an affordability assessment if:

- the borrower has an existing mortgage taken out before 26 April 2014, and is applying to vary that mortgage or replace it with a new one;
- the application wouldn't involve any additional borrowing except for essential repairs to the property, or to add product fees to the balance;
- there's been no further borrowing (with some exceptions) since 26 April 2014; and
- the proposed transaction is in the borrower's best interests.

So, under this rule, even where a change material to the affordability of the mortgage takes place, the lender can, *if it chooses*, waive an affordability assessment. If the lender decides to carry out an affordability assessment, it shouldn't use that as a reason to decline an application if allowing the application would otherwise be in the customer's best interests. But the lender can take the assessment into account as part of its consideration of best interests.

This means there are two routes that an application for an existing borrower can go down. If there's no change to the terms of the mortgage contract material to affordability, there's no obligation to carry out an affordability assessment at all. And if there is a change to the terms of the mortgage contract material to affordability, a lender could still decide to allow an application without an affordability assessment if doing so would otherwise be in the borrower's best interests.

A term extension where the existing term has already expired *is* a material change to the mortgage, and so it's reasonable for Barclays to want to carry out an affordability assessment, and to assess whether the application would meet its general lending criteria, including the borrower's age, income and repayment strategy.

Whilst the regulations provide that Barclays can, if it wishes, dispense with an affordability assessment, it isn't obliged to, and here I don't think the wider circumstances were such that it should have. Mrs and Mr G clearly had the means to repay the mortgage when it was due; they just didn't want to.

All of the above is the process that was initiated in the phone conversation of 9 July 2025. Mr G maintains that agreement to extend the mortgage was given in that call, but it's apparent from listening to it that this not the case. Nor would I expect it to be; Barclays would need to see evidence of the income and assets Mr G was telling them about before it could make such an assessment. And it's apparent from listening to the call that Mrs G didn't want to provide that information and/or the evidence to support it, and didn't think he needed to. But without the information, which Mr G eventually provided before declaring it a pointless exercise, I don't consider Barclays should just have given Mr G what he wanted.

The call didn't end with Barclays agreeing to the request for a term extension. It ended with Barclays agreeing to consider it, along with a request for a lower interest rate, at a senior level, subject to Mr G evidencing what he'd told it. The eventual decision was a decline. I can't be certain whether that was because of a lack of evidence to support the information given in the phone call, or because Barclays knew Mrs and Mr G had the money to pay the mortgage off altogether rather than do so in a year's time once Mr G's health situation had hopefully been addressed. It may even have been a combination of the two. Either way,

I don't think that was unreasonable or unfair. After that, there were several contact attempts made by Barclays, but with no substantive engagement, I don't consider it was unreasonable of Barclays to begin recovery action.

Overall, then, I'm not persuaded Barclays was under any obligation to extend the mortgage term, nor am I persuaded it agreed to do so. Mr G describes himself as a '*premium customer of thirty-five years who has never once defaulted..*'. I'm afraid that's not quite true; he and Mrs G failed to make the most important payment of all when it fell due.

I'll make one other observation on this point before I move to others. In his emailed submission of 20 March 2026, Mr G says the court has granted a term extension, and that I should endorse it. I've not seen any evidence of the court doing this, but in any event, that's not a matter for me. I've explained why I don't find Barclays needed to extend the term. If a court has ordered Barclays to do so, then no endorsement of that order by me is required. That's the court's job.

I turn next to the communication aspect of the complaint. One of the things Mr G is particularly unhappy about is that Barclays made multiple attempts to call him by phone after he had said he didn't want this due to health issues. Mr G says Barclays carried on trying to call him and not Mrs G. Of course, where a mortgage is in joint names, a lender can and should seek to engage with both borrowers, but by the same token, both borrowers can and should seek to engage with a lender. Also, at the very end of the conversation on 9 July 2025, the call handler asked Mr G if his mobile number was the best number to use for future contact. He confirmed that it was.

That aside, if Mrs and Mr G thought Barclays wasn't observing their preference that it not speak to Mr G on the phone, they could have seized the initiative by Mrs G taking the calls or indeed calling the business herself. That might well have mitigated Mr G's concerns about the impact of phone calls on his health, but I'm not sure it would have made a material difference to the wider situation with the mortgage and MCA that ultimately led to Barclays beginning legal action. Similarly, whilst I accept it was an annoyance, I don't find that any harm was caused by the incorrect reference to a field agent's visit having taken place, when the planned visit had in fact been cancelled.

On the subject of the MCA interest rate, there's nothing to suggest the rate being charged, a variable rate linked to movements in the Bank of England Base Rate, isn't in line with what the contract allows. Also, now that the mortgage term has expired, with Mrs and Mr G being in breach of contract by not repaying the balance, there's no provision for a new interest rate agreement to be put in place. As far ordering Barclays to freeze or reduce the interest, there's no fair basis for me to do that.

All the time Mrs and Mr G owe Barclays money, it can reasonably and fairly charge them interest on it. If they don't wish that to happen, Mrs and Mr G have the money invested on 120 days' notice of withdrawal and could use that to repay the debt. All the time they choose not to, they are in the meantime *earning* interest on that money, at a rate that, if I take their testimony at face value, is higher than the rate Barclays is charging and which they have complained is excessive.

The investigator has explained the interaction between the mortgage and MCA accounts, and how interest accruing on the latter is debited to the former where the offset saving account doesn't have a credit balance. I won't reproduce the details here, but I'm satisfied the explanation is correct. If Mrs and Mr G aren't happy, then they have the option to arrange for the accounts to be audited, at their own expense, by a suitably-qualified third party. If such an audit revealed errors or omissions to their detriment, it could form the basis of a new

complaint, to Barclays first and then to this service if need be, where the redress claimed could be to remedy the errors and reimburse the cost of the audit.

On the subject of information provision, generally speaking, complaints about data subject access requests (DSARs) are the preserve of the Information Commissioner's Office, All I'll add is that the handling of the DSAR hasn't in any way hindered my consideration of the evidence when reaching my decision. Lastly, Mrs and Mr G have mentioned an alleged threat to end their banking facilities. It's always possible something was injudiciously phrased in a voicemail message (which I have no means of corroborating one way or another) but there's nothing in the available evidence to suggest Barclays has taken, or is contemplating taking, such steps.

On the subject of credit reporting, the general position is that lenders are required to record factually accurate information. I've not seen Mrs and Mr G's credit files, so don't know what has been reported, never mind whether what has been reported is accurate or not. But insofar as I haven't found the action Barclays has taken concerning the operation of the mortgage and MCA to be unfair, that in itself precludes me from requiring the business to amend what may or may not have been reported where that information is an accurate reflection of the conduct of the account.

Nor am I persuaded that a payment of compensation is warranted. I've no doubt Mrs and Mrs G find the position they're in highly stressful, but overall, I don't think it's been made worse because of anything Barclays did that it shouldn't have done, or failed to do when it should have done. As far as an apology is concerned, if I think an apology is warranted on a complaint, I would not generally include an order to provide it in a final decision. That's because, if a consumer accepts a final decision it is binding on a business, and it is required to comply. But an apology given under duress has no value. Here, however, the point is moot, because I've not identified any specific act or omission on Barclays' part that would justify an apology.

I said at the outset that I wouldn't be commenting on every single point, and I haven't. I have, as I said I would, confined myself to those matters that I consider have a material effect on the outcome. I can see how strongly Mrs and Mr G feels. That's a natural, subjective reaction, and entirely understandable in the circumstances. Be that as it may, I have to take a different approach. I'm impartial and I have to look at things objectively. That's what I've done.

That begs the question of what happens next. I don't know what Barclays' intentions are regarding the possible resumption of enforcement action over the mortgaged property in the future. But clearly that is something it could consider as a next step. It's important to explain here that lenders will generally agree not to pursue recovery action whilst we look at a complaint, but they don't have to and we can't force them to.

If the Financial Ombudsman Service had that power it would undermine our impartiality between the parties to a complaint. It would also create the potential for consumers to use our service to bring complaints with the intention of having any legal action put on hold, thereby obstructing businesses that were trying to take action through the courts to recover money legitimately owed by the consumers.

I do not wish to alarm Mrs and Mr G but I would not want them to be under any misunderstanding that we would tell Barclays that it must delay recovery action in the event of any new complaint being raised about the mortgage. It is a matter for a court to decide whether it is appropriate to adjourn or suspend any legal action, not this service. Where a mortgage term has expired, the powers of the court to suspend possession are very limited indeed.

I know this isn't the outcome Mrs and Mr G wanted. They are faced with the prospect of having to find a significant sum of money to repay their mortgage, but they clearly have the means to do so, by liquidating some of their invested assets.

On this latter point, it might help Mrs and Mr G to have some advice from an independent financial adviser to discuss their options. Mrs and Mr G can find details of suitable advisers on the Financial Conduct Authority's website at www.fca.org.uk.

My final decision

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

My final decision concludes this service's consideration of this complaint, which means I'll not be engaging in any further discussion of the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs and Mr G to accept or reject my decision before 11 May 2026.

Jeff Parrington

Ombudsman