

The complaint

Miss W's complaint is about a mortgage application she made to Barclays Bank PLC. She is unhappy that the mortgage offer that it made to her was withdrawn several months later following a physical valuation of the property being completed, which Barclays had chosen not to do earlier. Miss W is also unhappy that Barclays didn't tell her or her broker that the physical valuation was being done, and she had only found out about it when the estate agent had questioned her after being contacted for access.

Miss W has also said that the situation has meant that she had to sell her existing property and she will be unable to buy another in the future. She said that she had to sell her existing property as Barclays had made her sign a declaration that required her to pay off her unsecured debts.

What happened

In April 2025 Miss W's mortgage broker submitted an application on her behalf to Barclays for a mortgage to purchase a new property. She wanted to borrow £86,250 on a repayment basis over a term of twelve years.

The application form asked some basic questions about the nature of the property. It then said: '*Additional Details: Please enter any additional details about the property which may be relevant to this application*' and there was a box to do so. The broker did not enter any information into this box.

As the loan to value on the mortgage was only 75% and Barclays had not been told about any issues that might affect whether the property was suitable security for the mortgage, it arranged for a desktop valuation to be completed. That came back valuing the property at the amount Miss W had agreed to pay for it, and so Barclays offered her a mortgage on 29 April 2025, on the condition that prior to or within 30 days of the mortgage starting, she repaid around £27,000 of unsecured debts. Miss W signed a declaration confirming she would do as required.

Once Miss W had received the mortgage offer, she instructed her solicitors to start the necessary legal work needed for the purchase and repayment of the existing mortgage. As part of that work, Miss C's solicitors wrote to Barclays on 9 May 2025 and told it that the property had an age restriction associated with it. Barclays asked the solicitors for more information about the matter and subsequently informed the solicitors on 2 June 2025 that it would need a physical valuation of the property in light of the restriction.

The valuation was slightly delayed by the valuers after it was commissioned and so it was not completed until 1 July 2025. It was concluded that due to the age restriction, the property was not suitable security for Barclays. Barclays received the valuation a couple of days later. Miss W's broker was informed on the same day that the offer had been withdrawn due to the valuation. Miss W was also given this information on 8 July 2025 when she called for an update. She confirmed at that time that she was no longer in touch with the broker. Miss W complained about the offer being withdrawn.

Approximately two weeks later, Miss W exchanged contracts on the sale of her existing property, which completed a week after that.

Barclays responded to the complaint in a final response letter of 6 August 2025. It said that it should have been told as part of the mortgage application that there was an age restriction on the property. As it had not been, this was the reason for the delay in the physical valuation being completed. That document had provided new information that it had not had before – that the property was not suitable security – and it was entitled to withdraw the offer. Barclays did not consider it had done anything wrong in relation to the core of the complaint. However, it offered Miss W £200 compensation for the upset and inconvenience it had caused her when it had not called her back when it said it would.

Miss W was not satisfied with the response and asked this Service to consider the complaint.

One of our Investigators considered the complaint. She recommended that the complaint be upheld, as she thought Barclays should have asked more questions about the nature of the property if it was not going to complete a physical valuation. In addition, she concluded that Barclays should have told Miss W's broker about the physical valuation taking place. The Investigator, therefore, concluded that some costs Miss W had paid should be refunded and more compensation paid. However, the Investigator concluded that Barclays wasn't responsible for any losses Miss W believed she had suffered because she had sold her existing property, as she could have backed out of the sale.

Miss W was unhappy that the Investigator didn't accept that she had no choice but to sell and that being Barclays' fault.

Barclays didn't accept the Investigator's conclusions either, and it reiterated the position it had set out in the final response letter. It highlighted that Miss W was being advised and assisted by a mortgage broker, and it considered that it was the broker's responsibility to ensure that any significant information about the property was given at the time of the application. Barclays asked that the complaint be referred to an Ombudsman when the Investigator didn't change her conclusions.

I issued a provisional decision on 17 April 2026, in which I set out my conclusions about the complaint and reasons for reaching them. Below is an excerpt.

'At the core of Miss W's complaint is that Barclays withdrew the mortgage offer, and so she could not purchase the property she wanted to move to. I can appreciate this would have been extremely upsetting for her, especially as she decided that she couldn't pull out of the sale of her existing property due to the commitments she'd made to third parties. However, in order to require Barclays to pay any financial losses Miss W suffered, I have to be satisfied that Barclays was wrong to withdraw the mortgage offer, that this led to the losses Miss W incurred and that she had been unable to mitigate those losses.

The starting position is that mortgage offers like the one that Barclays made to Miss W are binding. So a lender can't withdraw such an offer unless some new information comes to light after the offer was made and which, had that information been known before the offer was made, would have caused the lender to reject the application or agree it on different terms. I am satisfied that the mortgage offer Barclays made to Miss W explained that this could happen. It is also clear that Barclays was not aware of the age restriction associated with the property when it made its decision to accept Miss W's application and make the mortgage offer. So, on the face of it, Barclays was entitled to withdraw the offer when it had confirmation that there was an age restriction on the property and that this meant that the property was not suitable security. That said, I also need to be persuaded that Barclays

fulfilled its duty of care towards Miss W and acted fairly when it withdrew the offer.

Due to the amount Miss W wanted to borrow – the loan-to-value - Barclays did not complete a physical valuation. This is because there would have been a significant amount of equity in the property and so the risk of the lending from a purely financial view, would be relatively low. Barclays was entitled to take this approach, and in most situations, this would benefit the borrower as it would save them the cost of a physical valuation and would speed up the consideration of the application.

However, a physical valuation will often bring to light information about a property that the standard questions on the application form do not cover and which could have a material impact on a lender's decision. Where a physical valuation is not completed, I would expect a lender to ensure that it fully understood the nature of the property before making a decision to lend. Had Miss W applied for the mortgage directly with Barclays, I would have expected it to ask additional questions, either via a mortgage adviser if advice was being given or directly to Miss W if she had applied for the mortgage without advice.

Miss W didn't, however, apply to Barclays direct, she did so via a mortgage broker. A broker is considered an industry professional and will be aware of the types of properties that lenders will have concerns about lending on. This should be taken into consideration when it makes its recommendations. If a consumer applies directly to a lender, it would be for the lender to ask questions. However, where a broker is involved, it would be for the broker to make the lender aware of key information that would impact the application. The application form Miss W's broker completed included a prompt for the broker to give Barclays any additional information it was aware of that could affect the application.

It is clear from the information Miss W has given us that the broker was aware of the age restriction on the property. Many mainstream lenders do not lend on age restricted properties, which is knowledge the broker would have had, and so that information should have been provided at application stage, but it was not. Had it been, I am satisfied that Barclays would not have issued a mortgage offer in the first place.

I know that this will come as a disappointment for Miss W, but in the circumstances of this individual case, I am not persuaded that Barclays made an error in its handling of her application. So, I don't think it was unreasonable for the mortgage offer to be rescinded. As I have not found that Barclays made an error, I can't hold it responsible for any losses that Miss W suffered due to her property purchase not progressing or her decision to complete on the sale of her existing property.

Miss W is unhappy that Barclays didn't inform her that a physical valuation was being done on the property. While Barclays didn't tell Miss W directly, I don't think there was anything wrong with that. Where there is a broker involved in a sale, a lender would have very little direct contact with the prospective borrower. If further action needed to be taken or information provided before the application was accepted, a lender would usually contact the broker. Following the application being accepted, as it had been in Miss W's case, the lender would predominantly liaise with the consumer's solicitors. In this case, it was Miss W's solicitors that entered into correspondence with Barclays about the restriction on the property. Miss W's firm of solicitors was informed that a valuation was going to be done, and I don't think Barclays needed to do any more. If Miss W's solicitors didn't update her about the situation, Barclays can't be held responsible for that omission.

Barclays has offered Miss W £200 compensation for the upset and inconvenience it caused her by not returning a call it was meant to. I consider that sum reasonable and appropriate in the circumstances.'

Miss W did not accept my provisional decision. She said that the amount of compensation was an '*an absolute insult*' considering the stress and financial ruin she had experienced due to Barclays withdrawing the mortgage offer. She also highlighted that the mortgage broker had assured her that it had made Barclays aware that there was an age restriction on the property.

Barclays accepted the provisional decision.

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.

Miss W has highlighted that the broker who recommended the mortgage to her stated that it had made Barclays aware that the property she intended to buy had an age restriction. I reviewed that email when I considered the complaint before I issued my provisional decision. The broker said that it had put down the property management company as contact for the valuation, the business name of which included the word 'retirement', and so Barclays should have figured out there was likely an age restriction. I examined the application form, and the broker did not do this – the contact for the valuation was an estate agent. Indeed, Miss W identified this during the course of our investigation, and consequently made a complaint to the broker.

I note that Miss W would like the amount of redress the Investigator recommended to settle the complaint. However, as I have concluded that Barclays didn't need to have done more when it received the application form to establish the nature of the property she intended to buy, the award recommended by the Investigator would not be appropriate.

Having considered Miss W's further comments, I have not changed my conclusions in this case.

My final decision

Barclays Bank UK PLC has already made an offer to pay Miss W £200 to settle the complaint, and I am satisfied this offer is fair in all the circumstances. As such, my final decision is that Barclays Bank UK PLC should pay £200 in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss W to accept or reject my decision before 22 May 2026.

Derry Baxter
Ombudsman