

## The complaint

Mr and Mrs M's complaint is about their mortgage account with Barclays Bank UK PLC. This is an interest-only mortgage which came to an end in 2020. There is still an outstanding balance and Barclays is taking legal action to recover this.

I issued a decision on 22 April 2026 in which I decided which parts of the complaint we are able to consider.

Mr and Mrs M have also raised other issues about their mortgage which, as they weren't included in this complaint, are being dealt with as a separate complaint.

The issue I am considering in this complaint is that Mr and Mrs M are unhappy that Barclays added legal fees to their mortgage account, from March 2025 to 11 December 2025. Mr M, who has dealt with the complaint throughout with the consent of Mrs M, says this is unfair, because at the time Barclays had "*mishandled*" a payment proposal.

## What happened

The background to this complaint is well known to both parties and is set out in the correspondence between the parties and our service, so I won't repeat all the details here. Our decisions are published, and it's important that I don't include any information that might result in Mr and Mrs M being identified.

Instead I'll focus on my decision and the reasons for it. No discourtesy is intended by that, and if I don't mention something, it won't be because I've ignored it, but it's because I don't think it is material to the outcome of the complaint. This approach is consistent our enabling legislation and the informal nature of our service.

It allows me to concentrate on the issues on which I consider a fair outcome will turn, and not be side-tracked by matters which, although presented as material, are, in my opinion peripheral or which have little or no impact on the broader outcome. But I would like to reassure the parties that I've read and considered everything they've said and provided in support of their arguments.

The underlying issue giving rise to this complaint is one that I'm unable to consider because it was brought outside our time limits. But for context, I'll explain that Mr M says that in June 2025 he thought Barclays was still considering a payment proposals he'd put forward and so it was a shock for him and Mrs M to be contacted by Barclays' solicitors about legal action the bank was planning to take.

Barclays addressed the complaint that it had failed to tell Mr M his proposal had been rejected in a final response letter, it paid Mr M compensation and gave him referral rights to our service, but he didn't come to us within the specified time limit. The complaint about Barclays' failure to tell Mr M his proposal had been rejected was ruled out of time in my decision dated 22 April 2026.

## **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 confirm that I've reviewed my decision dated 22 April 2026 and remain of the opinion that the only issue I can consider in this complaint is that relating to the legal fees added to the mortgage account after March 2025 to December 2025.

The mortgage terms and conditions allow Barclays to add legal costs to the mortgage account after it re-instructed its solicitors in the spring of 2025. The issue here is whether it was fair for Barclays to do so.

Overall, I think it was. Aside from being permitted contractually, it's normal industry practice for a lender's costs of recovering a debt to be paid by the borrower, and there's nothing in the circumstances of this particular case to suggest anything different should happen.

The account records show that on 2 June 2025 Barclays explained to Mr M that the bank would not hold off legal action, but this would not mean that, after the hearing, the bank wouldn't consider any other payment proposals. Mr M asked for more time, and wanted another six months, when the mortgage was already more than five years past its repayment date. A day or so later Mr M later changed this to three months, but was unreceptive to Barclays' suggestion that the bank would ask the court to grant a "longer" possession order, so that Mr M could put a repayment strategy in place.

Mr M suggested that if he was given a three-month breathing space this would give him time to get the information about his finances together, and if not, he would put the house on the market. But given the length of time that had already passed, I'm not persuaded it was unreasonable for Barclays to decide to proceed with the legal action. The property might not be sold quickly, and many more months could pass without repayment of the outstanding balance.

On 10 July 2025 Mr and Mrs M and Barclays were told by the court that the hearing date was to be on 2 September 2025. Mr M had still not put in his repayment proposals; instead he'd raised complaints and asked for a copy of all his mortgage documentation – statements going back to inception of the mortgage in 2006 and all mortgage offers and product transfer documents.

On 18 July 2025 Barclays instructed its solicitors to request an adjournment of the hearing, partly because of Mr M's complaints but also in the expectation that Mr M would be providing the bank with his repayment strategy. That still didn't happen; Mr M had told the bank in December 2024/January 2025 that he had about £500,000 in his pension funds which he was intending to withdraw in order to repay the mortgage – but by the summer of 2025 he said he hadn't done so because he'd lost trust in Barclays.

I note that by November 2025 Mr M had made a partial redemption of the mortgage, leaving about £200,000 outstanding. But after that I can't see that Mr M was putting in place a plan to pay off this balance. Instead he was challenging the legal fees Barclays was incurring.

Therefore, taking into consideration the account history, I'm not persuaded it was unreasonable for Barclays to have added the legal costs to the mortgage account from March 2025 up to the point the bank issued its final response on 11 December 2025. The account records show that Mr M's strategy was to keep asking for extensions of time, and whilst a partial redemption was made, there was no evidence of how the remaining balance

would be paid off in full. It was therefore reasonable in my opinion for Barclays to proceed with legal action, and to incur solicitors' costs in doing so.

Because I'm satisfied the bank has acted fairly, I'm not going to order Barclays to remove those legal costs. I note there is a court hearing on 28 April 2026, and Mr M can, if he wishes, raise the issue of costs with the court. It is within the discretion of the judge as to whether or not to make an order for costs, but there would have to be a compelling reason to override the contractual provisions that allow Barclays to recover its costs by adding them to the mortgage account.

There is one other matter I must address. I note Mr M has raised another complaint with us about the mortgage. He has also asked us to arrange for the hearing on 28 April 2026 to be vacated. Barclays has said it intends to go ahead with the hearing.

I think it is also important to explain here that lenders will generally agree to put recovery action on hold 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 Mr and Mrs M but I would not want there to be any misunderstanding that we would tell Barclays that it must adjourn or postpone any legal action in the event of any new complaint being raised about the mortgage. It is for a court, not this service, to decide whether to adjourn any legal action taken by Barclays. We do not have the power to interfere in court proceedings.

Where a mortgage term has expired, the court's powers to suspend possession are very limited indeed. Given the length of time since the mortgage term expired, and the numerous grace periods granted by Barclays to enable Mr and Mrs M to put their repayment plans in place, I'm not persuaded it's unreasonable for Barclays to want to secure its position by having a possession order in place, should there be any further delays in repaying the balance.

I know this isn't the outcome Mr M was hoping for. He and Mrs M are faced with having a possession order made against them, and I know this must be very worrying for them. I also note that Mr M had proposed a repayment strategy that involved an overseas property, and it is possible that events happening in other parts of the world might have affected these plans.

I'm also not insensitive to the fact that these global events may also be having an emotional impact on Mr and Mrs M if they have family and friends in the affected areas. But I have to put aside my natural feelings of empathy and decide the case impartially on the basis of the evidence. Having given careful consideration to this matter, I'm unable to find Barclays has done anything wrong.

### **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 Mr and Mrs M to accept or reject my decision before 21 May 2026.

Jan O'Leary  
**Ombudsman**