

complaint

Mr and Mrs B complain that Barclays Bank UK PLC charged for an unauthorised overdraft after they repaid their mortgage.

background

Mr and Mrs B wanted to repay their mortgage and asked Barclays for a redemption statement. Mr and Mrs B repaid the mortgage in early July 2018. They withdrew the balance from the mortgage current account – about £80. Later in July, Barclays debited £81 interest and this made the account overdrawn.

Our adjudicator didn't recommend that the complaint should be upheld. He said the redemption statement showed the £81 interest charge would be debited.

Mr and Mrs B said they understood what the adjudicator said and must have overlooked the part of the statement that said charges were pending. However, they thought this didn't seem fair. Mr B said Barclays should have taken the £81 before confirming the mortgage was repaid and the deeds were released.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

what happened?

Mr and Mrs B had a mortgage account and mortgage current account with Barclays. They asked Barclays for a redemption statement. Barclays provided a redemption statement dated 27 June 2018 which was valid for 30 days. It set out the outstanding mortgage and overdraft balance and the total amount due.

Barclays also sent Mr and Mrs B a statement for the mortgage current account dated 29 June 2018. This said interest for 31 May to 28 June 2018 would be debited on 23 July 2018.

Mr and Mrs B repaid the mortgage on 4 July 2018. There was a balance of about £81 in their current account.

On 5 July 2018 Mr and Mrs B withdrew £80 from the account.

Barclays wrote to Mr and Mrs B on 13 July 2018 saying the charge on their property had been released. It sent a letter on the same day saying the mortgage had been fully repaid.

On 23 July 2018 Barclays debited £81 interest. The current account became overdrawn by £80. Mr and Mrs B received a letter from Barclays in mid August 2018 saying the current account was overdrawn by £80. They contacted Barclays for an explanation.

I've listened to the recording of that call. Barclays explained that the overdraft was due to the interest debited in July. It said that when the mortgage was redeemed this payment was left

in the current account for the interest payment. Barclays explained that the account was overdrawn because Mr and Mrs B had withdrawn the money.

Mr B said he was annoyed at Barclays' poor service and thought Barclays should sort it out. Barclays said it would raise this as a complaint. But it said it considered the debt was legitimately owed and didn't intend to write it off. Barclays said until the debt was paid Mr and Mrs B would be contacted about the debt. It explained the possible consequences – such as a default on their credit file.

Mr B says in late 2018 he received unpleasant communications from Barclays about the debt. And found out his credit score had gone down.

did Barclays make an error?

The statement for Mr and Mrs B's current account showed the upcoming interest debit under the heading "Charges coming up". It explained what this was for, how much it was and when it would be debited. The redemption statement also said it might be necessary for Barclays to place the account in credit to cover debit interest and ensure the overdraft borrowing is satisfied in full.

I don't think Barclays made an error when it debited the payment – this was interest due. Barclays made Mr and Mrs B aware of the upcoming interest payment. And when Mr B contacted Barclays in August 2018 Barclays explained what had happened. It made it clear that it expected the debt to be paid. In the circumstances, I don't think it's fair and reasonable to require Barclays to write off the debt or remove any information recorded on Mr and Mrs B's credit files.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs B to accept or reject my decision before 29 May 2019.

Ruth Stevenson
ombudsman