



The complaint

Mr G has complained that the balance on his mortgage account with Barclays Bank UK Plc has been incorrect for a number of years. Mr G would like Barclays to adjust the account to its correct position, taking into account all payments made.

Mr G is represented in the complaint by a relative, but for clarity I will refer to Mr G throughout.

What happened

I will summarise the complaint in less detail than it's been presented. There are several reasons for this. First of all, the history of the matter is set out in detail in correspondence, and in the investigator's letter dated 14 October 2022. All parties have a copy of that letter, so there is no need for me to repeat the details here. I will instead concentrate on giving the reasons for my decision.

In addition, our decisions are published, so it's important I don't include any information that might lead to Mr G being identified. So for these reasons, I will keep my summary of what happened quite brief.

In summary, Mr G took out a mortgage with Woolwich, the residential mortgage lending division of Barclays, in 2008. The mortgage also came with a Mortgage Current Account (MCA). The MCA is an overdraft facility, which works like this: as capital is repaid off the mortgage, the overdraft limit on the MCA increases by the same amount, due to what Barclays calls 'rebalancing'. This can be spent by the borrower, through the mortgage current account.

Borrowers are free to repay the overdraft, in part or in full, if they wish to do so, at any time. Payments made towards the mortgage will be applied towards reducing the mortgage account balance, but not the MCA.

In 2021 Mr G queried his mortgage and MCA account balances with Barclays. In its final response letter, Barclays explained that it had provided Mr G with its calculations and that these were correct. Mr G brought his complaint to our service.

An investigator looked at what had happened. She didn't think Barclays' calculations were correct. To put things right, the investigator asked Barclays to recalculate the mortgage to reflect the payments Mr G had actually made, and pay compensation of £400 for trouble and upset.

Barclays recalculated the account, and in a letter dated 14 October 2022 the investigator noted that Mr G had overpaid £19,678.40 on the mortgage account. She was satisfied Barclays' calculations were correct this time and that the mortgage balance should have been £24,670.69 as at 1 August 2022.

Mr G still didn't think the figures were correct and wanted further investigation. He said that overpayments hadn't been applied to the MCA. The investigator explained that our service

doesn't audit accounts and that the calculations provided by Barclays appeared to be correct. She clarified that payments made to the mortgage were not applied to the MCA. Mr G asked for an ombudsman to review the complaint, but didn't have any further evidence.

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.

As the investigator explained, we don't provide an auditing service, and my role is not to re-calculate Mr G's mortgage account; I am required to review the complaint and decide what I think is a fair outcome. In addition, Barclays has acknowledged it made an error and has agreed to put the account back into the position it should have been in if the mistake hadn't been made. Therefore I don't need to decide if a mistake has been made – all I need to consider is what needs to be done to put it right.

After looking at everything that's happened, I'm satisfied that the position as set out in the investigator's letter of 14 October 2022 is the correct one. Mr G had overpaid the mortgage, but Barclays hadn't properly taken this into consideration.

I've noted what Mr G has said about the MCA – that he didn't know that overpayments wouldn't reduce the MCA. But I'm satisfied that it would, or should, have been apparent to Mr G from his MCA statements that the payments he was making towards the mortgage weren't reducing the balance on the MCA. Therefore I don't think Barclays has made any error regarding the MCA.

Putting things right

Mr G has a copy of the second set of calculations Barclays has carried out on the mortgage. Both the investigator and I are satisfied these are accurate and put the account in the position it should have been in if overpayments had been properly applied. Barclays should apply these calculations, and reduce Mr G's mortgage balance to £24,670.69 as at 1 August 2022.

Because Mr G has been caused distress and inconvenience in having to raise this matter with Barclays, I am satisfied that a payment of compensation is warranted. I agree with the investigator's recommendation of £400 as being fair, reasonable and proportionate to the trouble and upset caused to Mr G by Barclays.

My final decision

My final decision is that I uphold this complaint. I direct Barclays Bank UK Plc to put in place the redress set out above, and to pay Mr G £400 for distress and inconvenience. I make no other order or award.

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 correspondence about the merits of it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 14 December 2022.

Jan O'Leary
Ombudsman