

The complaint

This complaint is about an offset mortgage Ms B holds with Barclays Bank UK PLC. There are two broad strands to the complaint, which are:

- even though Ms B's mortgage is what is known as fully offset (that is, where her saving balances exceeds the mortgage debt) she is still expected to make occasional monthly payments; and
- in one of its responses to Ms B's complaint, Barclays included a narrative dealing with a separate issue she hadn't complained about. She believes this indicates that Barclays mixed another customer's complaint up with hers.

What happened

The above summary is in my own words. The basic background to this complaint is well known to both parties so I won't repeat the details here. Instead I'll focus on giving the reasons for my decision. If I don't mention something, it won't be because I've ignored it. It'll be because I didn't think it was material to the outcome of the complaint.

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. Ms B is unhappy that we've dealt with both complaints as one rather than treat them as separate. However, that's our judgement to make, taking account of the need to be fair to both parties and to ensure our finite resources are used most effectively.

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

On the first part of the complaint, Barclays' system divides the accounting year into twelve equal units, and then calculates offset benefits each month based on what happened in the preceding month. However, not all months have the same number of days, and in addition, a change in interest rates can sometimes occur mid-month.

The effect of this is that even with fully offset account, minor adjustments have to be made to counteract those anomalies, resulting in the borrower having to make nominal monthly payments from time to time. Overall, I'm not persuaded the manner in which Barclays is operating Ms B's mortgage is contrary to the terms and conditions of the contract she entered into.

That doesn't mean Ms B has to take Barclays' word, or mine, that everything is as it should be. If she has a real and substantive belief that things still aren't right, it is open to her to arrange for the mortgage account to be audited by a suitably qualified and independent party.

The evidence of the audit could then be used as the basis for a new complaint to Barclays, underpinned by the evidence of the finished audit. That would give the bank the opportunity to consider and respond to it.

Ms B would have to meet the cost of the audit, albeit if errors were found that were to her detriment, she could reasonably expect Barclays to reimburse any reasonable cost of the audit as well as taking any corrective action the audit revealed to be necessary. And if that wasn't resolved to Ms B's satisfaction, she would still have the opportunity to refer that complaint to us.

On the second element of the complaint, there's nothing in the available evidence to suggest that a breach of data security has occurred; whether that be Ms B's personal data or that of another party. Of course if Ms B subsequently uncovers evidence of an actual breach of her personal data, she could complain about that, to Barclays first and then either to us or the Information Commissioner's Office if not satisfied with the response.

But here, all that seems to me to have happened is that Barclays inadvertently inserted a narrative that didn't belong into a letter to Ms B. That's regrettable, of course, and clearly shouldn't have happened. But whilst I can see why Ms B would find that irksome, and with the caveat I gave above, I'm not persuaded any lasting harm has arisen from it. Barclays has apologised and offered Ms B £175 compensation for her time, trouble and upset. If it had not done that, I would not award more.

My final decision

My final decision is that this complaint should be fairly resolved by Barclays Bank UK PLC paying Ms B the £175 already offered in full and final settlement. I make no other order or award.

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 15 April 2024.

Jeff Parrington

Ombudsman