

## **The complaint**

Mr and Mrs K complain that delays by Barclays Bank UK PLC in removing its charge from their property title meant they missed out on lower interest rates for their lifetime mortgage. They ask for compensation. Mrs K has dealt with the complaint.

## **What happened**

Mr and Mrs K wanted to take out a lifetime mortgage. Their solicitor noticed a charge on the property title. This related to a Barclays mortgage that had been repaid some years previously.

Mrs K contacted Barclays in mid and late November 2022. And Mr and Mrs K's solicitors contacted Barclays in mid-November 2022 asking for the charge to be removed. Mrs K says they didn't get a response. Although Barclays removed the charge in late November 2022, Mrs K wasn't told this when she called Barclays on 7 December 2022.

Mrs K said their lifetime mortgage offer expired while they were waiting for confirmation from Barclays that it had removed its charge. They had to re-apply, by which time interest rates had increased.

Barclays agreed it made errors. It told Mrs K in mid-November 2022 it would write to her to confirm the charge had been released, but didn't do so. The staff member that spoke to Mrs K on 7 December 2022 ought to have confirmed the charge had been released, but didn't check what had happened. Barclays paid £150 and offered a further £500 compensation and to pay half of Mrs K's legal fees (£921). It declined to reimburse the difference in interest costs between the two mortgages. It said it had written to the solicitor to confirm that the charge had been released, and if the solicitor didn't receive the letter they could have checked the Land Registry title to see that the charge had been removed.

Our investigator said Barclays had written to Mr and Mrs K's solicitors on 25 November 2022 confirming the charge was removed. She didn't think it was fair to say that Barclays should compensate Mr and Mrs K for the higher interest rate on the loan.

Our investigator said Barclays should pay £650 (in total) for Mr and Mrs K's upset and £921 towards their solicitors' fees, as it offered to do, for its poor service.

Mrs K didn't agree. She said her solicitor didn't receive the letter and as there were postal strikes at the time Barclays should have followed up with a call or email. She said she spoke to Barclays twice in November 2022 and again in early December 2022 and wasn't told the charge was removed. She said if she'd been told this she could have accepted the equity release offer before the deadline (9 December 2022).

## **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.

Mr and Mrs K had previously had a mortgage with Barclays. The mortgage was repaid some years ago but Barclays' charge wasn't removed from the title.

Mr and Mrs K needed to raise funds to pay for Mr K's nursing home fees. They received an offer for a lifetime mortgage in mid-September 2022. Their solicitor noticed Barclays' charge on the property title.

Mrs K called Barclays on 15 November 2022 and was told the charge would be removed and it would write to her to confirm this. Barclays received an email from the solicitors on 17 November 2022. They asked that confirmation of the charge release was sent to the solicitor.

Barclays said it removed the charge and wrote to Mr and Mrs K's solicitors confirming this on 25 November 2022. It provided a copy of the letter and its internal notes saying it had been sent out. It's unfortunate the solicitor didn't receive the letter, but there's no evidence that was due to an error by Barclays. Barclays didn't know the letter had gone astray and I wouldn't expect it to phone or email to check a letter had arrived.

Barclays didn't send a letter to Mrs K saying it had removed the charge. It seems it had difficulty sending a letter to Mrs K when there was no longer any record of a mortgage account to link it to. This was poor service, given it had said it would write to her to confirm the charge had been removed.

I don't think I can fairly find that Barclays was wrong to tell Mrs K it was processing the request when she called in November 2022. This was correct at that time. But Barclays did make an error when it failed to tell Mrs K it had removed its charge when she called on 7 December 2022. Barclays says the member of staff would have been able to confirm the charge had been released on 25 November 2022 if they'd checked properly.

The lifetime mortgage offer expired on 9 December 2022. Mrs K borrowed about £28,000 from family to pay the nursing home fees (she repaid this when she took out the lifetime mortgage in March 2023).

In early January 2023 Barclays told Mrs K the charge had been released. It paid £150 as an apology for its poor service.

Mrs K took out a lifetime mortgage in March 2023. This has a higher interest rate than the mortgage offered in 2022 and it doesn't have a cash reserve facility, meaning Mrs K borrowed the whole amount on completion. Interest is added to the loan. Mrs K says this will cost more than if they'd completed the lifetime mortgage offered in 2022.

Mrs K asked Barclays for compensation for her legal fees and her additional interest costs.

Barclays offered to pay half of the solicitors' fees for the abortive mortgage (£921). It didn't agree to pay compensation for additional interest, or for all of the solicitors' fees. It said the solicitor could have checked at the Land Registry to see that the charge had been released.

I know that Mrs K will be disappointed. And I appreciate that both Mrs K and the solicitor were waiting for confirmation from Barclays that the charge was released. But I think Barclays point is fair. If the only matter outstanding in early December 2022 was confirmation that the charge had been released the solicitor could have checked this with the Land Registry. If there were problems with the post at that time, the solicitors might reasonably have considered whether a letter from Barclays had gone astray.

To put it another way, the mortgage could have completed despite the letter to the solicitor

going astray and despite Barclays failing to tell Mrs K on 7 December 2022 that the charge had been released. Barclays' charge had been removed from the title, and this could have been checked at the Land Registry.

This all happened during a difficult and stressful period for Mrs K. Mr K needed to move into a nursing home and Mrs K had to raise funds to pay for this. Barclays wasn't responsible for Mr and Mrs K's difficult circumstances. But it would have saved Mrs K inconvenience, worry and stress if it told her on 7 December 2022 that its charge had been released. I don't know if this would have enabled the first lifetime mortgage to complete before the offer expired on 9 December 2022 (only two days later). But it would have saved Mrs K having to contact Barclays again about the charge.

Barclays paid £150 in January 2022 and offered another £500 for Mrs K's inconvenience and upset. Taking all of the circumstances into account, I think this is fair and reasonable.

### **My final decision**

My decision is that Barclays Bank UK PLC should pay compensation of £1,571 (in total) to Mr and Mrs K, as it offered to do. It can deduct any amounts it has already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K and Mr K to accept or reject my decision before 25 March 2024.

Ruth Stevenson  
**Ombudsman**