

The complaint

Mr S and Mrs S complain that Barclays Bank UK PLC didn't remove its charge when they repaid their mortgage. They say this delayed a recent sale of the property. Mr and Mrs S ask for compensation for financial loss and their worry and stress.

What happened

Mr and Mrs S say the mortgage on their property was repaid in 2003. They found out the charge was still on the property title in late 2022 when they were selling the property. They say this delayed the sale and they lost out on the interest they would have earned on the sales proceeds. They were worried the sale would fall through.

Our investigator said until 2018 Barclays' process was to remove charges only when asked to do so. There was no evidence Mr and Mrs S asked Barclays to remove the charge until November 2022. However, Barclays didn't remove the charge until February 2023 and Mr and Mrs S had to chase it a number of times. Our investigator said Barclays' offer of £150 for its poor service was fair.

Mr and Mrs S said this wasn't enough for the stress, time and cost involved. They said repaying the mortgage is itself notice that a charge should be removed. They said they repaid several buy-to-let mortgages between 2015 to 2018 and all charges were removed as a matter of routine.

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 S say they repaid their mortgage in 2003. Barclays says the mortgage was repaid in 2004. Either way, at that time, Barclays didn't remove the charge from the Land Registry title unless asked to do so. Mr and Mrs S say this shouldn't be necessary. But this was Barclays process at that time. This was in case the customer wanted further secured borrowing.

Mr and Mrs S provided copies of letters sent in 2013. They contacted Barclays to ask for their deeds. Barclays replied saying it had sent all documents to them in 2004. There's no mention of the charge recorded at the Land Registry in the letters.

There's no evidence that Mr and Mrs S asked Barclays to remove the charge from the Land Registry title until late 2022.

Mr and Mrs S did contact Barclays in November 2022 about the charge. Barclays' charge was in relation to a residential mortgage. The property had since been converted into flats. Barclays says this resulted in it having difficulty locating the charge. It says it had difficulty contacting Mr and Mrs S to confirm their address for it to send the relevant paperwork. The charge was removed in February 2023.

Mr and Mrs S say they had to contact Barclays a number of times before the charge was removed. I can understand this was frustrating and worrying for Mr and Mrs S. I think it's right that Barclays offered compensation for poor service. In the circumstances, I think Barclays offer of £150 for the upset and worry caused is fair and reasonable.

Barclays told Mr and Mrs S it would consider compensation for financial loss if they provided suitable evidence. For instance, evidence that the sale of the property was delayed due to the time taken to remove the charge. Mr and Mrs S didn't provide this evidence. In the circumstances, I don't think it's fair and reasonable to require Barclays to pay additional compensation.

My final decision

My decision is that Barclays Bank UK PLC should pay £150 to Mr and Mrs S, as it offered to do. It can deduct any amounts already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S and Mrs S to accept or reject my decision before 6 March 2024.

Ruth Stevenson
Ombudsman