

## The complaint

Mr H's complaint is about a buy-to-let (BTL) mortgage he holds with Barclays Bank UK PLC. Mr H says that, after the mortgage term expired, Barclays failed to treat him fairly or consider his payment proposals. Mr H is also unhappy that the account balance has increased and that Barclays appointed Law of Property Act Receivers (LPARs) to manage the property.

To settle the complaint Mr H wants Barclays to accept his payment proposals and compensate him for the distress and inconvenience he has been caused.

## What happened

The evidence in the case is detailed, running to several thousand pages of documents and many hours of call recordings. I've read and listened to everything, and it's apparent that some parts of the evidence are less relevant to the underlying case than others. There are also a lot of duplicated documents and repetition of arguments. In what follows, I have, by necessity, summarised events in rather less detail than has been presented.

No discourtesy's intended by that. It's a reflection of the informal service we provide, and 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. This approach is consistent with what our enabling legislation requires of me. It allows me to focus on the issues on which I consider a fair outcome will turn, and not be side-tracked by matters which, although presented as material, are, in my opinion peripheral or, in some instances, have little or no impact on the broader outcome.

I won't, therefore, set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat the details here. In addition, our decisions are published, so it's important I don't include any information that might lead to Mr H being identified. So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

Mr H has a BTL mortgage with Barclays taken out in 2007. He initially borrowed £100,000 on an interest-only basis over a term of 15 years. In 2009 Mr H borrowed an additional £30,000. In August 2021 Barclays wrote to Mr H to remind him of the impending end of the mortgage term, so that he could make arrangements to repay the balance. The mortgage term came to an end in February 2022 for the main mortgage and March 2022 for the further advance when the balance was due to be repaid in full.

I see from Barclays' notes that Mr H told the bank that the property had been marketed for sale. Unfortunately Mr H's wife passed away in March 2022, as a result of which the property was taken off the market. Barclays gave Mr H some extra time to repay the mortgage. Mr H told Barclays the property was for sale, and that he was also arranging a re-mortgage to a new lender. Mr H also told Barclays in June 2023 that he was waiting for his partner to sell

her house, but also said that his partner was arranging a mortgage to pay off his Barclays' mortgage.

Barclays put matters on hold so that Mr H could put one of these plans in place to repay the mortgage. Unfortunately the mortgage wasn't repaid within a year of the term end. Exercising the powers contained in the mortgage conditions, Barclays appointed LPARs in July 2023. The LPARs have taken over management of the property on behalf of Mr H.

Mr H wasn't happy about this, and I see that from then onwards he and Barclays have not been able to agree a way forward. Lump sum payments were made to reduce the mortgage balance, but there is still an outstanding amount, which Mr H is disputing.

Mr H made a formal complaint to Barclays. I summarise below the main issues in the complaint:

- Barclays refused to extend the mortgage term, even though Mr H made the bank aware that he was awaiting a payout from an insurance policy that would cover most of the mortgage;
- the appointment of LPARs was unnecessary and unfair, and he wants the bank to dis-instruct them;
- he disputes what Barclays says is the account balance;
- although he made a reasonable offer to settle the mortgage by offering £120,000 in full and final settlement, the bank has refused to accept this;
- a later offer to settle the mortgage for £128,285 sent to Barclays CEO wasn't acknowledged;
- after 5 June 2023 there was no contact from Barclays;
- Barclays didn't provide him with the information he was entitled to when he made a Data Subject Access Request (DSAR)
- he isn't happy about the way Barclays has dealt with his complaints.

Barclays acknowledged that its customer service could have been better in relation to communicating with Mr H. In two separate final response letters sent in August 2023 and October 2023 the bank offered him a total of £500 for its poor customer service. However, Barclays didn't agree that it had acted unfairly in relation to the main issue relating to repayment of the mortgage.

Dissatisfied with Barclays' response, Mr H brought his complaint to our service. An Investigator looked at what had happened. He noted that Mr H had made lump sum payments towards the mortgage, leaving (in January 2024) about £11,300 outstanding.

Whilst the Investigator noted Barclays' poor customer service in relation to communication, he was satisfied that the bank was entitled to appoint the LPARs, and that Barclays wasn't under any obligation to accept a short settlement or write off any of the outstanding balance. The Investigator also explained that Mr H's concerns about the DSAR was more suitable to be raised with the Information Commissioner's Office (ICO).

Mr H didn't accept the Investigator's findings and asked for an Ombudsman to review the complaint. He's reiterated all the reasons why he believes Barclays has treated him unfairly. Mr H also said that in December 2023 Barclays offered him another £400 for poor customer service.

## **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.

The complaint was originally raised with us in September 2023, and the issues complained of have evolved since then, with Mr H receiving final response letters in October 2023 and December 2023, in addition to the one sent before the complaint was made to us, dated 24 August 2023. Mr H has also paid off some of the balance of the mortgage, but disputes the amount of fees and charges added to the account, as a result of the appointment of the LPARs.

The starting point here is that the contract Mr H had entered into with Barclays provided that he would repay the mortgage in February 2022 and the further advance in March 2022. Barclays' policy is that it will allow a BTL borrower about a year to pay off the mortgage, as the bank acknowledges that repayment strategies sometimes take time to be put in place, such as a sale of a property, or liquidising investments.

Mr H has told us that, after he'd become seriously ill in 2018, he was awaiting a lump sum payout of about £85,000 from an insurance policy, once the insurer was satisfied he was permanently disabled, and that this was to be the main repayment vehicle.

After the mortgage term expired, the bank's notes and call recordings show that Mr H also told Barclays at various times that there were other potential repayment strategies – sale of the property, re-mortgage by him, his partner selling her house or his partner re-mortgaging the property. Mr H provided some documentation to support what he was saying, but there was no mortgage offer (only a recommendation from a financial adviser about a potential mortgage Mr H could apply for), nor any confirmation from solicitors that contracts for the sale of the property were about to be exchanged.

Mr H says there was no communication from Barclays after 5 June 2023. However, there were 29 phone conversations between Mr H and Barclays between June and October 2023, so I'm not persuaded that the bank failed to communicate with Mr H.

I fully acknowledge that Mr H was unhappy about the appointment of the LPARs. But in all the circumstances, I'm satisfied that Barclays gave Mr H sufficient time to repay the mortgage before it did so. This is a BTL mortgage, so is considered a commercial mortgage taken out for investment purposes. As such, responsibility for ensuring the mortgage was paid off in full when due lay with Mr H.

I think the bank gave Mr H sufficient time before appointing LPARs. Barclays had given Mr H six months' notice of the expiry date, so he could make plans to pay off the mortgage by the end date. Whilst I understand that Mr H's wife passed away at the point when the mortgages were due to be repaid in March 2022, the various repayment strategies (detailed above) that Mr H had put to Barclays after that didn't come to fruition. In the absence of firm payment proposals with evidence in support, I'm satisfied Barclays was entitled to appoint LPARs.

I'm also not persuaded that it was wrong for Barclays to ask Mr H to complete and Income and Expenditure (I&E) form in June 2023. Mr H told Barclays he had arrangements with some priority creditors, that he was vulnerable and had health issues, both physical and mental.

The appointment of LPARs has resulted in fees and charges being added to the mortgage. The account terms and conditions provide for this. Barclays isn't under any obligation to accept a short settlement for the mortgage. This is a commercial contract and it's reasonable for Barclays to be paid the full amount it is owed.

Overall, in relation to the way the bank has dealt with the account after it reached its end date, I'm not persuaded that Barclays has treated Mr H unfairly or unreasonably. Barclays will usually allow a year for a borrower to pay off a BTL mortgage; Mr H was given more time than this, but still wasn't able to pay off the mortgage. I don't think Barclays was unsympathetic to Mr H's circumstances – and, indeed, neither am I.

I'm sure that the passing of Mr H's wife in March 2022 was devastating to Mr H, and I also note his health problems (as did Barclays). But it wasn't reasonable of Mr H to expect the bank to give him more time to pay off the mortgage when there was no evidence of a plausible repayment vehicle.

I note Mr H has disputed the amount Barclays has asked him to pay, but having reviewed the account history, I'm not persuaded the bank's figures are inaccurate. If Mr H thinks the balance is inaccurate, it's always open to him to have the account audited by an accountant or auditor. If this was to reveal any discrepancy that could be attributed to an act or omission on the part of Barclays, Mr H would be entitled to raise a fresh complaint about this, and to include the cost of the audit in any redress claimed.

Mr H is also unhappy with the LPARs. As they are his agents, not Barclays', Mr H will need to raise any concerns direct with the LPARs. The Financial Ombudsman Service can't consider a complaint about the actions of LPARs.

Mr H wasn't happy that, although Barclays said it would respond to his complaints within specified periods of time, the bank failed to adhere to this. Barclays also overlooked Mr H's request for a DSAR until October 2023. I understand the bank has now actioned this. Barclays has offered Mr H a total of £900 compensation in August 2023 (£200), October 2023 (£300), and December 2023 (£400) for poor customer service, largely in relation to issues around the delays in dealing with his complaints and for not acknowledging Mr H's request for a DSAR. I think this is fair, reasonable and proportionate to the customer service failings, so I'm not ordering Barclays to do anything further.

I know this isn't the outcome Mr H was hoping for. However, after careful consideration of all the evidence, and for the reasons given above, I'm not persuaded Barclays has acted unfairly or unreasonably after the mortgage term came to an end.

### **My final decision**

My final decision is that I don't uphold this complaint.

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 discussion about it.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 April 2024.

Jan O'Leary  
**Ombudsman**