

## The complaint

Mr V and Ms P complain that Barclays Bank UK PLC (Barclays) caused unnecessary delays to their mortgage application. As a result of the delays, Mr V and Ms P said they only received their mortgage offer one month before it expired. They couldn't complete in that timeframe and had to apply again with a higher interest rate product.

## What happened

Mr V and Ms P applied for a capital and interest repayment mortgage with Barclays on 17 February 2022. They wanted to re-mortgage their Help To Buy property. Mr V and Ms P received advice from an independent mortgage adviser. The application listed their address as a flat number, followed by a house name, street name, town and postcode.

Barclays contacted the broker the next day as the product applied for wasn't available to Mr V and Ms P. A new application was submitted on 21 February 2022 for a three-year fixed rate product at 1.8%.

Mr V and Ms P signed declarations and provided proof of their address on 3 March 2022. Mr V's proof of address showed the same flat number, followed by the same house name, street name, town and postcode. But there was a typo in the house name, which was spelled 'hosue' instead of house.

On 15 March 2022, Barclays told the broker that there were multiple profiles set up in the system for Mr V and there was a discrepancy with the address. It said it couldn't accept the proof of address for Mr V as there was a mismatch with the building name and postcode. Barclays requested a pre-contract variation form be completed to amend the address.

A different proof of address was provided for Mr V on 18 March 2022. It recorded the same flat number, house name and postcode as the application. But it said 'flat' in front of the flat number. On 23 March 2022, Barclays told the broker it had reviewed both copies of proof of address but couldn't accept them. It again said the building name and postcode were mismatched. It requested a pre-contract variation form be completed to amend the address.

On 29 March 2022, a third proof of address was provided for Mr V. It recorded the same flat number, house name, street name and postcode as the application. Again, it had the word 'flat' in front of the flat number. A pre-contract variation form was completed on 14 April 2022 to update the postcode for both Mr V and Ms P. The updated postcode was the same postcode already given in the original two applications and matched all three copies of proof of address.

Barclays said on 21 April 2022, another pre-contract variation form was completed to update the full address. Our Service hasn't been provided with a copy of this form. Barclays said on 26 April 2022 proof of address for Ms P was requested. This was provided on 3 May 2022 and recorded the same flat number, house name, street name and postcode as the original application.

On 18 May 2022, Barclays told the broker it needed a valid proof of address for Ms P. The

next day it explained it couldn't accept the document provided previously as it was a digital bank statement. It said there was a building name and postcode mismatch. It said it had received a pre-contract variation form to update Ms P's address and it needed valid address proof of that same address.

On 1 June 2022, another proof of address was provided for Ms P. It recorded the same address as the previous bank statement and mortgage application. On 14 June 2022, Barclays told the broker it was reviewing the application and would provide an update shortly.

Barclays sent a mortgage offer to Mr V and Ms P, and their solicitors on 16 June 2022. It said the offer expired on 17 August 2022. Mr V and Ms P have said these weren't received.

On 8 July 2022, the broker told Barclays the solicitors had not received a copy of the mortgage offer and requested another be sent urgently. Barclays wrote to the broker and solicitors on 19 July 2022 to tell them the mortgage offer was due to expire on 17 August 2022. Barclays sent another mortgage offer to the solicitors on 26 July 2022 which expired on 17 August 2022.

Mr V and Ms P complained to Barclays on 31 August 2022. They requested an extension to the original offer.

On 7 September 2022, they submitted a new mortgage application with Barclays for a two-year fixed rate at 3.24%. Barclays agreed with some of Mr V and Ms P's complaint. It agreed it had caused some delays in responding to Mr V and Ms P's complaint. It offered £400 for their distress and inconvenience and refunded the second product fee they'd paid.

Mr V and Ms P didn't accept this and referred their complaint to our Service where one of our Investigators looked into the complaint.

Our Investigator thought the complaint should be upheld. She said Barclays had caused delays by not completing Ms P's checks at the same time as Mr V. She thought it had caused further delays by not updating the broker that the application had been accepted. She thought if Barclays hadn't caused these delays Mr V and Ms P would have had enough time to complete the mortgage. She thought £400 compensation was fair, but that Barclays should backdate the rate from the original offer and refund the difference to Mr V and Ms P along with 8% interest.

Barclays didn't accept this. It said, in summary, the broker was at fault for providing piecemeal information and incorrectly completing the pre-contract variation form. It said the broker didn't ensure acceptable documents were provided. Barclays said Mr V and Ms P's new application took nearly four months to complete so even if it was responsible for some delay, the original offer couldn't have completed in time.

As Barclays didn't agree with our Investigator, the complaint has been passed to me to consider and make a final decision.

### **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 mortgage offer issued by Barclays was valid for six months from the date of the first application, rather than from the date of the offer itself. This is a business decision Barclays is entitled to make. But it does mean that where applications take longer than average to

process, consumers will be left with a limited timeframe to complete the mortgage. This is especially relevant where a Help To Buy scheme is involved as the process is generally longer and more complex. So, I'd expect Barclays to have been especially mindful of not causing any unnecessary delays when processing Mr V and Ms P's application.

From February 2022 until June 2022, Barclays and Mr V and Ms P's broker were going back and forth about an address mismatch. It's not clear to me why Barclays thought there was an address mismatch. And I don't think it did enough to make it clear to the broker why there was a mismatch or what it needed to progress the application.

I've reviewed both applications submitted by the broker in February 2022 and the addresses on both applications are identical. Barclays has said it was unable to merge the two customer profiles for Mr V because of an address mismatch. It's not clear to me why that was. I haven't seen any evidence of a different address for Mr V on any of the documentation that has been provided.

Mr V provided three different documents for proof of address. Each one recorded the same flat number, house name and postcode. And these were the same details provided in the application forms. Barclays have since said the typo of 'hosue' in one of the documents was a problem. And following that the inclusion of 'flat' on some of the documents caused a mismatch. Barclays is obligated to have strict criteria to complete a proof of address check. But I think the differences here were common sense variations. I think Barclays could have easily clarified this with the broker, or Mr V. If it had done this, I think the application would have been processed much sooner than it was.

I realise Barclays requested a pre-contract variation form from the broker multiple times. But I don't think Barclays did enough to make it clear why this was necessary, so the broker attempted to provide different documents showing the correct proof of address. From the evidence I've seen, Barclays only said there was a mismatch in the house name and postcode. But I've seen no evidence of a mismatch in postcode, and only a typo in the house name. So, I don't think the broker acted unreasonably by sending further evidence of proof of address. Or by completing the pre-contract variation form with only the same correct postcode. I don't think it was clear to the broker what the 'mismatch' Barclays was referring to was. And Barclays should've made this clearer.

If Barclays had made it clear to the broker that the mismatch was the inclusion of 'Flat' before the flat number on some documents, I have no reason to think the broker wouldn't have completed the form to include 'Flat' immediately. And I'm not convinced that this mismatch was significant enough that it needed a pre-contract variation form completing. As I've said I think this could have been easily clarified with the broker.

I think Barclays caused unnecessary delays to Mr V and Ms P's application here by not clearly explaining what it thought the address discrepancies were. It was unfair for this to take months to sort out.

I agree with the Investigator that Barclays should have requested proof of address for Ms P at the same time as Mr V. I think this caused further delays to the processing of the application. Barclays has said it only needed proof of address for Ms P after the pre-contract variation form was completed for both addresses. But the application was for both applicants at the same address. It seems to be that Barclays would have always needed proof of address for both applicants at that same address and should've requested it at the same time.

For the reasons set out above, I think Barclays caused unnecessary delays to Mr V and Ms P's application. It shouldn't have taken four months for Barclays to establish this was the same address and issue a mortgage offer.

Barclays then didn't update the broker that the mortgage offer had been sent. So, it wasn't picked up until a month later that the solicitors hadn't received the offer. I think Barclays acted unfairly by not keeping the broker updated on the application's progress so they could monitor this. Standard industry practice is for the broker to also receive a copy of the offer. Barclay then took over two weeks before sending the offer to the solicitors again. These errors meant that there wasn't sufficient time for Mr V and Ms P's mortgage to complete before the offer expired.

When Mr V and Ms P applied again for another mortgage with Barclays, Barclays issued the mortgage offer within one month. Mr V and Ms P completed the mortgage within four months of receiving this mortgage offer. It's hard to say how long Mr V and Ms P's first application should have taken if Barclays had acted fairly and reasonably. I think it's reasonable to think it would have taken longer than the second application as some clarification around the address was needed. But I certainly think Barclays should have been able to process Mr V and Ms P's first application within two months. This would have allowed Mr V and Ms P enough time to complete the mortgage on the first offer they had.

This is without taking into account that Mr V and Ms P's second application took longer to complete than it would have the first time. This is because they needed to reduce the amount they were borrowing after the application was made, as they had since paid more from the balance waiting for the application to be accepted. Barclays has argued that even without its delays, Mr V and Ms P wouldn't have been able to complete in time. I can't say for sure, but on the balance of probabilities I find it more likely than not that had it not been for Barclays' delays, Mr V and Ms P would have been able to complete on their first mortgage offer before it expired.

### **Putting things right**

Barclays should put Mr V and Ms P in the position they would have been in if they had been able to complete the mortgage in August 2022. It should rework their mortgage, so Mr V and Ms P were on the three-year fixed interest rate of 1.8% from August 2022. It should calculate the difference between what Mr V and Ms P have paid monthly and what they should have paid from that date. Barclays should refund the difference to Mr V and Ms P with 8% interest for the time they made each payment to the date it refunds it to them.

If it has not already, Barclays should pay Mr V and Ms P £400 compensation for the considerable distress and inconvenience this matter has caused them.

### **My final decision**

I uphold this complaint and direct Barclays Bank UK PLC (Barclays) to put matters right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P and Mr V to accept or reject my decision before 1 August 2024.

Rob Deadman  
**Ombudsman**