

The complaint

Mr and Mrs S complain that Barclays Bank UK PLC incorrectly recorded missed payments on their credit files in relation to their buy-to-let mortgage.

What happened

Mr and Mrs S have a buy-to-let mortgage with Barclays. They discovered that Barclays had recorded that the mortgage was in arrears between September and December 2020 and March and April 2023. Mr and Mrs S consider this was incorrect.

Barclays agreed that it had recorded arrears in error in 2023. It agreed to correct the credit files and pay Mr and Mrs S £500 as an apology and for any inconvenience. It did not agree that the arrears it recorded in 2020 were wrong.

The investigator did not think the complaint should be upheld. Mr and Mrs S did not accept what the investigator said.

I asked Barclays for more information to justify that the information it recorded in 2020 was a true and accurate reflection of how Mr and Mrs S had conducted their mortgage. Following that Barclays accepted that small amount that was automatically capitalised to the mortgage balance had led to the arrears – if it wasn't for that, the mortgage would have shown as up to date. Therefore it agreed to remove the adverse information it had recorded and to pay Mr and Mrs S a further £250.

I contacted Mr and Mrs S and explained that Barclays had made an offer to settle their complaint. I said I thought Barclays' offer was fair. I did not consider there was sufficient evidence to say that Mr and Mrs S would have been able to arrange a new mortgage if the adverse information had not been recorded.

Mr and Mrs S did not accept Barclays's offer. They maintained that they had a remortgage in place and that would have gone ahead but for errors made by Barclays – including that a mortgage statements incorrectly said they had incurred arrears interest.

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.

Barclays has an obligation to record true and accurate information about how Mr and Mrs S handled their mortgage. I agree that it was not accurate for it to record that Mr and Mrs S's mortgage was in arrears between September and December 2020.

Where a business has not acted fairly or reasonably, we'd usually look for it to put the affected party back in the position they would have been in had they been treated fairly.

Barclays has now agreed to remove the adverse information it recorded on Mr and Mrs S's credit file in respect of their buy-to-let mortgage from September until December 2020. I consider that is fair.

Mr and Mrs S have produced a mortgage offer they had from another lender to repay the Barclays mortgage. They said the only reason that mortgage did not go ahead was because of mistakes made by Barclays – the information on their credit file and arrears interest showing on an annual statement.

The offer had a number of special conditions. Mr and Mrs S said they were all satisfied. If that was correct, this was a binding offer, so the lender could only withdraw the offer if the information it lent on turned out to be inaccurate or if there was a material change to the facts and circumstances relating to the loan after it made the offer.

Mr and Mrs S's credit file shows that they'd missed payments to a mortgage with a different lender in April and May 2023. Mr and Mrs S have also given us evidence that the lender they had an offer from conducted a credit search on 26 May 2023. While the lender may not have seen the May missed payment, it seems likely it would have seen the April missed payment.

I understand Mr and Mrs S consider that the missed payment was a simple oversight and the new lender was not concerned with that. We have evidence where the broker said the new lender would be prepared to go ahead providing it had evidence all mortgages were up to date. And Mr and Mrs S have given us evidence that the other mortgage was up to date at the time.

So that leaves the annual statement from Barclays. The statement shows the arrears interest showing for March and April 2023. That appears to have been incorrect as Barclays accepted there were no arrears at that time. The difficulty for me is that the statements also show "miscellaneous" debits. Mr and Mrs S said they were charges applied from the receiver. When they told the broker about this, he asked a colleague to "*share the Barclays statement with [the new lender] and the explanation below as this should hopefully give them comfort to continue. Possibly best not to mention "receiver" but the arrears payments due to admin of missing the Direct Debit but paying manually but key is all in same month.*"

It follows, that the new lender was not aware that Barclays had appointed receivers. The broker said to withhold that information from the new lender – presumably because he thought it would change its decision. Therefore, I am not sufficiently persuaded that the new mortgage would have gone ahead but for Barclay's mistakes. There was a material change – the appointment of receivers – that the new lender was not aware of and which the broker felt was harmful to the application's prospects of success.

While I understand why Mr and Mrs S consider it was solely mistakes by Barclays that led to the new mortgage not going ahead, the evidence we have does not sufficiently support that. And ultimately, we do not have any evidence from the lender confirming the reasons for its decision. I know Mr and Mrs S will be very disappointed, but I am unable to make an award for any financial loss caused by the new mortgage not proceeding.

Mr and Mrs S have not given us any other evidence which shows that the incorrect information recorded by Barclays led to them suffering a financial loss. So that leaves a payment to reflect the distress, inconvenience and damage to reputation caused to Mr and Mrs S by both the incorrect information recorded by Barclays between September and December 2020, and in March and April 2023. Barclays has offered a total of £750 for that.

The primary source of upset to Mr and Mrs S is the fact that the term of their mortgage has ended and they have not been able to repay the mortgage as agreed. I've already explained that I am not sufficiently persuaded that it was the incorrect information that was the sole reason that prevented Mr and Mrs S remortgaging. The compensation is not intended to compensate Mr and Mrs S for that. But it is clear that this matter has added to the upset and stress they've experienced – and that Barclays missed opportunities to recognise it had not

acted fairly sooner.

In all the circumstances, I consider that £750 is a fair amount to reflect the distress and inconvenience caused to Mr and Mrs S by Barclays' mistakes. It has added to the worry that they have not been able to remortgage, they've had incorrect information on their credit file and they've had to spend a lot of time over several months trying to put things right. But looking at how we award compensation, I consider £750 is a fair amount to reflect what Mr and Mrs S have been put through.

My final decision

My final decision is that Barclay Bank UK PLC should pay Mr and Mrs S a total of £750.

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 29 July 2024.

Ken Rose
Ombudsman