

## **The complaint**

L, a partnership, complains that Barclays Bank UK PLC failed to remove a charge on their property when the mortgage was redeemed which meant that it couldn't raise money on the property and lost a business opportunity.

## **What happened**

L had a commercial mortgage with Barclays since 2016 and the final payment was made in February 2022. In January 2024, L tried to raise money against the property but discovered that Barclays hadn't released its charge. L says that as a result it couldn't proceed with the proposed transaction and lost a very significant opportunity besides incurring extra and unnecessary solicitors' costs.

Barclays says that as this was a commercial mortgage, the charge was not automatically released, and the customer needed to request the release. Our investigator noted that the Charge was an all-monies security covering any monies due to Barclays and was also a charge over other property belonging to the customer. She felt that there was no error by Barclays in not releasing the charge and when requested to do so, it removed the charge forthwith. So, our investigator didn't recommend that this complaint should be upheld. L disagreed saying in summary that Barclays had not shown it any proof that it required L to request the bank to remove the charge.

## **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 issue here is who should have initiated the removal of the charge that Barclays had over L's property once the commercial mortgage was repaid. L expected Barclays to do it and has referred us to a section on Barclays website which reads that Barclays will initiate the process although it does require some involvement by the customer. Barclays has shown us its policy document which is that the release of commercial mortgages is customer driven whereby the customer requests the release, Barclays checks if any money is due and if not releases the charge. I understand the difference is that the former applies to domestic mortgages and L has shown me a section from Barclays website which appears to apply to domestic mortgages. I say that because the screenshot from the website is headed personal which would appear to refer to personal mortgages rather than business ones. Barclays says that with business mortgages it will receive a request from a customer and check if there is any outstanding balance owed by the company before release.

So, it seems. Barclays had a different process for initiating the removal of a charge in respect of commercial mortgages than for residential ones and appears to have followed that. When L asked for its removal, it was removed. L says that it was unaware of this process which I accept and that it suffered some financial harm by the charge not being removed. L provides no details of why the creditor refused the borrowing that he requested. I assume that if a creditor performed a search, it would show a charge, but L could show the mortgage was paid off and on an approach to Barclays the charge would be removed. That

would not be an unusual situation where a charge remains after a mortgage is paid off and the situation requires a bit of tidying up. So, I consider it unlikely that L would have suffered financially as a result of Barclays processes. As Barclays followed its procedures I can't fairly say that it did anything wrong and I don't uphold this complaint.

**My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask L to accept or reject my decision before 27 September 2024.

Gerard McManus  
**Ombudsman**