

The complaint

Mr and Mrs B complain about problems and delays when switching products for their buy to let mortgage with Barclays. They ask for compensation of about £1,250 and a refund of the product fee, for the financial loss and distress caused by Barclays' poor service.

What happened

Mr and Mrs B applied for a new product in May 2023. They say Barclays only allowed them to do this by post and not by email or on-line. Barclays said it didn't receive the signed documents from Mr and Mrs B, which they sent by special delivery. Consequently, Barclays didn't apply the new product and their mortgage went onto the variable rate.

Mr and Mrs B say they received messages from Barclays asking them to return the documents. They had to call Barclays a number of times, experiencing long call wait times. They were worried about rates increasing and how this would affect their family finances. And the monthly payment taken by Barclays was £1,000 higher while they were on the variable rate.

Barclays said it didn't receive the documents from Mr and Mrs B. But as there was evidence of Mr and Mrs B trying to resolve the issue it backdated the product and refunded additional interest. Barclays apologised for the inconvenience and offered to refund Mr and Mrs B's postal costs and to pay compensation of £100.

Our investigator said Barclays had done enough to put matters right. Mr and Mrs B didn't agree. They asked that their complaint was re-considered by an ombudsman.

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.

In late May 2023 Mr and Mrs B tried to take out a new product using Barclays online service. Barclays says it couldn't process their application as the details in the application didn't match the details it had in its records. It said Mr and Mrs B would first need to update their details. Barclays posted the product switch pack to Mr and Mrs B.

Mr and Mrs B posted the signed documents to Barclays in mid-June 2023 by special delivery. They told Barclays the delay in returning the documents was due to late receipt and not being provided with a pre-paid envelope.

Mr and Mrs B called Barclays asking for confirmation it had received the documents. I understand their frustration that it couldn't confirm this. But this was because Barclays didn't receive the documents. Mr and Mrs B would have been able to see that their letter hadn't been delivered by checking with the postal delivery service.

I can also understand Mr and Mrs B's frustration that Barclays sent reminders to return the documents when they had posted the documents. But Barclays hadn't received the

documents, so I don't think this was unfair.

In early July 2023 Barclays allowed Mr and Mrs B to return a signed declaration by email, because of the difficulties they'd had returning it by post. Barclays received the signed declaration on 5 July 2023. It applied the new product the following day and backdated it to 3 June 2023. It refunded additional interest applied between 3 June 2023 and 6 July 2023. I think that was fair.

Barclays didn't receive the documents that Mr and Mrs B sent by post. I appreciate their frustration about this, especially as they paid for special delivery. But I can't fairly find that this was due to an error by Barclays. I don't have evidence this was this case.

I'd note here that Barclays told Mr and Mrs B it applies new products to buy to let mortgages between the 3rd and the 9th of each month. If Mr and Mrs B had been able to accept a new product online in late May 2023 it wouldn't have been applied to their mortgage any earlier than 3 June 2023. They would still have had to pay the product fee. And Barclays refunded their postal costs. So while I appreciate Mr and Mrs B's frustration about the service they received, I don't think they suffered any financial loss.

Mr and Mrs B say they were worried about the impact on their finances of having to pay a higher interest rate. Fortunately, this wasn't the case. Barclays allowed them to accept the product by email and backdated it to 3 June 2023. When Mr and Mrs B raised a complaint, Barclays acted promptly to put matters right. In fairness, I must also take into account that the reason Barclays didn't apply the product sooner was because it didn't receive a signed acceptance and declaration from Mr and Mrs B.

Taking all of this into account, I think Barclays offer of £100 compensation for the upset caused is fair and reasonable in the circumstances.

My final decision

My decision is that Barclays Bank UK PLC should pay £100 plus Mr and Mrs B's postage costs, as it offered to do, unless of course it has already made these payments.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 18 June 2024.

Ruth Stevenson
Ombudsman