

## **The complaint**

Mr T told us that as part of his retirement planning, he wanted to extend the term of a Buy To Let (“BTL”) mortgage he holds with Barclay Bank UK PLC. He said he’d first applied for this in January 2023, and everything was agreed, but Barclays then just didn’t extend the term.

## **What happened**

Mr T said he’d been trying to extend a BTL mortgage with Barclays since January 2023. He said Barclays had accepted the mortgage could be extended, but then just hadn’t done anything to implement his application. Mr T said for six months, he talked to two advisors, neither of whom managed to get the mortgage extended. Then he complained, and he thought that had resolved the problem, but although Barclays accepted it had made a mistake and it agreed to extend his mortgage term, it still didn’t actually do that.

Mr T complained to our service in January 2024, because he said a whole year had gone by, and Barclays still hadn’t done what it had agreed.

Mr T said there hadn’t been any direct financial consequences yet, but this term extension was part of his retirement planning, so he really needed to know that this was in place.

When Mr T complained, back in September 2023, Barclays said it could confirm the term extension had been agreed, and it was sorry it hadn’t applied the extension to his mortgage yet. Barclays said because of the mortgage type, the extension had to be applied within a specific band of dates at the start of the month, but in September 2023 Barclays said it would now make sure that was done. Barclays offered Mr T £250 as an apology then.

When this case came to our service, Barclays said it hadn’t yet implemented the extension. It had now identified the mistake which originally prevented Mr T’s application from being actioned, but it didn’t know why this hadn’t been picked up sooner. Barclays told our service it would take steps to put this extension in place, and it wrote to Mr T to say that it had agreed his mortgage term had been extended until 3 March 2041. Barclays also told our service that it would like to increase its previous offer of compensation from £250 to £650. I then reached my provisional decision on this case.

Our investigator didn’t think this complaint should be upheld. She understood the delay here had prevented Mr T from organising his retirement planning over the previous year. She said Barclays had clearly made mistakes here, but it had now confirmed the term extension had been applied to the mortgage, and had offered an increased amount of compensation. She thought that was fair.

Mr T didn’t agree, because he said Barclays still hadn’t done what it had promised. He sent us a screenshot which showed the term of his mortgage had still not been extended.

Because no agreement was reached, this case was passed to me for a final decision. And I then reached a provisional decision on this case.

## **My provisional decision**

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

Mr T says he just wants to know that the mortgage term extension application he made has been accepted, and it's been applied to his mortgage, so he knows he can rely on this when he's planning for his retirement. It appears that Mr T has faced about a year and a half of uncertainty on that point, as well as the repeated frustrations of being unable to effect any change at Barclays.

Barclays accepts that Mr T applied for a term extension in January 2023. It also accepts that whilst the extension was agreed then, it didn't act then to apply this extension. And although Mr T repeatedly asked Barclays to sort this out for him, it failed to do so until this complaint reached our service. Then Barclays reassured our investigator that this extension had finally been applied.

Mr T says his mortgage account still shows the old term. And it doesn't appear that Barclays has issued anything else to Mr T, other than a single letter confirming a new mortgage term end date, which doesn't reflect the position he can see online.

It seems more likely than not that Barclays hasn't in fact yet applied this term extension to Mr T's mortgage. So I will require it to do so, as part of my provisional decision.

That means, if this provisional decision is then confirmed, and Mr T subsequently accepts the final decision, Barclays will be bound in law to amend the term of his mortgage as set out below. I hope that will provide Mr T with some reassurance on this point, sufficient to allow him to have confidence in the term of this mortgage when he makes his retirement plans.

Mr T also said Barclays' offer of £650 in compensation was not acceptable, for all the trouble it had caused. Although Barclays has always said the term extension was agreed, and the problem lay in getting this applied to the mortgage, I do appreciate that having a doubt hanging over his retirement plans for around eighteen months will have been stressful for Mr T. I also understand that this would have been very frustrating for him. He shouldn't have had to get to this point, in order for things to be resolved.

But the purpose of these awards isn't to punish Barclays, for its mistakes. And I do have to bear in mind that this issue hasn't otherwise affected Mr T financially. So, whilst Mr T clearly would have been concerned, I do think the offer Barclays has made provides part of a fair outcome to Mr T's complaint. Mr T might like to know that this amount is in line with what I would have awarded in this case, if no offer had been made.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Only Mr T replied.

### **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.

Mr T said he had waited until the deadline to reply to my provisional decision, because he wanted to give Barclays a final chance to update his mortgage details. But he said that over a year and a half since this all started, it still hadn't done so. Mr T said he didn't want to accept Barclays' compensation offer, because he wanted to send a message that its

behaviour had been disgraceful. Mr T said otherwise, Barclays will continue to treat customers as it sees fit.

I appreciate Mr T's strength of feeling here, and I can well understand why he would take the view that I should ask Barclays to pay more, in order to incentivise it to do better in future. But that's not my role in this case. I can't increase compensation awards solely so that they could have a punitive or deterrent effect.

All I can do, when I consider a complaint, is to look at the circumstances of that complaint, decide whether something has gone wrong, and if so, assess the impact in that particular case. And here, having done so, I thought Barclays had assessed compensation appropriately, so I did think the amount it offered provided a fair and reasonable outcome to this complaint.

I appreciate Mr T may well be disappointed by this, but I haven't changed my mind. I'll now make the decision I originally proposed. And, at the risk of repeating myself, I hope my decision will reassure Mr T that Barclays is then bound to extend the term of his mortgage.

### **My final decision**

My final decision is that Barclays Bank UK PLC must extend the term of Mr T's mortgage with it (account number ending 389) so that the term ends on 3 March 2041.

Barclays Bank UK PLC must also pay Mr T £650 in compensation. Barclays Bank UK PLC can count towards that amount any payment it has already made to Mr T for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 September 2024.

Esther Absalom-Gough

**Ombudsman**