

The complaint

Mr and Mrs W complain about the customer service they received from Barclays Bank UK PLC after it sent them a redemption statement for their offset mortgage account.

What happened

Mr and Mrs W had a Woolwich mortgage that they say was taken out in 1989. In 2000, Woolwich was taken over by Barclays. And in 2007 after attending an appointment in a Barclays branch, Mr and Mrs W took out an overdraft with a reserve facility that was linked to their mortgage account.

In March 2024 Barclays sent Mr and Mrs W a redemption statement for their mortgage account and overdraft facility. That letter said the total amount Mr and Mrs W needed to pay to redeem the mortgage and overdraft was £120,908.98.

Mr and Mrs W complained to Barclays on 3 April 2024. They didn't understand how they could owe more than they initially borrowed and asked Barclays how the balance was so high. They said they'd never missed any mortgage payments and were expecting there only to be a small balance left to repay. They said the mortgage had been mis-sold to them as it was not made clear how the overdraft worked and how much it would cost them to use it. They said they weren't given sufficient information to make an informed choice. The mortgage was sold to them during a short 10-minute meeting and the adviser was pushy. Barclays issued a final response letter on 19 April 2024. It said Mr and Mrs W's complaint had been made out of time.

Mr and Mrs W referred their complaint to our service. They said the issue was having a severe impact on their mental health and ability to work. They were concerned about the original sale of the mortgage and reserve facility, but were also unhappy with the customer service they'd received from Barclays since it had sent them the redemption statement. They also complained that Barclays hadn't done anything to bring the increasing balance to their attention even in more recent years.

Barclays didn't give our service its consent to consider the complaint.

One of our Investigators looked into things and explained that he agreed Mr and Mrs W's complaint about the sale of the mortgage and reserve facility had been raised outside the time limits our service must apply. He didn't think the complaint had been made late as a result of exceptional circumstances. He said he'd looked at how Barclays had handled things more recently, but he didn't think it needed to do anything to put matters right for Mr and Mrs W.

Mr and Mrs W disagreed with the outcome reached by the Investigator and asked for the complaint to be referred to an Ombudsman.

I issued a decision which said our service only had the power to consider Mr and Mrs W's complaint about the customer service they'd received from Barclays after the redemption statement was issued. I said their complaint about the sale of the mortgage and overdraft

facility had been made out of time. I will now issue my decision on the merits of Mr and Mrs W's complaint that we have the power to consider.

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.

I appreciate the root of Mr and Mrs W's main concern is the sale of this mortgage and overdraft facility, and they would still like us to consider that when looking at the customer service they received in March and April this year. But they are very distinct issues, and as I've already explained, I don't have the power to consider how these products were sold to them.

After Mr and Mrs W received the redemption statement from Barclays, they had several phone calls to discuss matters. I've listened to the recordings of those calls, and it's clear that the information contained in the redemption statement came as a shock to Mr and Mrs W, and they were keen to get to the bottom of how their balance had grown in the way it had. But having listened to the calls they had with Barclays, I'm not satisfied that overall, Mr and Mrs W received poor customer service.

When Mr and Mrs W raised their concerns about what had happened, Barclays offered to register a complaint which is what I'd expect them to do. In the meantime, it told Mr and Mrs W which department they needed to speak to if they were unable to repay the outstanding balance by the deadline set in the letter. It gave Mr and Mrs W reassurance that there were options available that they could explore if they couldn't clear the balance straight away with a lump sum payment. And it also made it clear there wouldn't be any collections activity to recover the outstanding balance whilst the complaint was being investigated.

Mr and Mrs W made several calls to Barclays to chase the outcome of their complaint, and I appreciate this did take up their time. But I'm not persuaded that was a result of anything Barclays did wrong. Barclays told Mr W how long it could take for an outcome to be reached on the complaint, and said the complaint handler would contact them when they'd looked into things. Mr W called Barclays within those timescales, and whilst I appreciate he was anxious to find out whether he was going to have to pay the balance Barclays was asking for, Barclays responded to the complaint within the regulator's timeframes.

In the initial call Mr W had with Barclays in March 2024, the adviser did say she could send Mr W the statements she had access to on the system. It seems these weren't sent for some time, and so I do think that would have been frustrating for Mr and Mrs W. But overall, whilst I appreciate it will come as a disappointment to Mr and Mrs W, I think this caused a minor inconvenience and I'm not satisfied Barclays needs to do anything to put things right.

It's clear Mr and Mrs W have concerns about how they're going to repay the mortgage now that the term has expired. Barclays has put collections activity on hold whilst this complaint was being investigated. Now that process has come to an end, both parties will need to engage with each other about how this mortgage can be repaid. I'd expect Barclays to give fair consideration to any proposals Mr and Mrs W might make that will enable the mortgage to be repaid in a way that's affordable for them.

My final decision

Considering everything, for the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W and Mrs W

to accept or reject my decision before 2 October 2024.

Kathryn Billings
Ombudsman