

The complaint

Miss B complains that Barclays Bank UK PLC didn't consent to her letting her property while she was travelling. She says it didn't tell her when she took out the mortgage that she had a help to buy mortgage and this would mean she couldn't let the property.

Miss B asks that Barclays give her consent to let the property and pays compensation for lost rent.

What happened

Miss B took out a mortgage with Barclays in 2021. In mid-May 2024 she asked Barclays for permission to let the property while she went travelling. Barclays wrote to Miss B in mid-June 2024 saying it didn't consent to her letting the property as she has a help to buy mortgage and her reasons for letting don't meet its criteria.

Miss B says while the mortgage terms say she'd need to ask for permission before renting the property, they don't say this would never be allowed. Miss B says this should be clearly stated in the mortgage offer. She says she wouldn't have gone ahead with the mortgage guarantee scheme mortgage if she'd known this.

Miss B says she's been given inconsistent and incorrect information throughout the process and was led to believe she'd be able to let the property.

Barclays said Miss B hadn't discussed letting the property with the mortgage adviser in 2021. It said it had given Miss B an answer to her request for permission to let within four weeks, which it considered an acceptable time. After the complaint came to us, Barclays offered £100 compensation for initially telling Miss B it was willing to give consent.

Our investigator said Miss B hadn't asked about letting the property in her discussions with Barclays mortgage adviser. So he wouldn't expect Barclays to explain its policy to her, and he wasn't convinced she wouldn't have taken out the mortgage even if the mortgage offer had said the property couldn't be let. Our investigator said Barclays caused confusion and gave Miss B conflicting information about whether it might give consent. He said it should have told her at the outset that it wouldn't give consent to let. He said Barclays' offer of £100 was fair for the upset and inconvenience this caused.

Miss B didn't agree. She said it should have been made clear before she chose the mortgage that she wouldn't be able to let the property. She said this led to her taking out a product that wasn't right for her. She said Barclays hadn't dealt with her request for consent to let correctly.

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 mortgage terms and conditions say Miss B must get Barclays' written consent before

letting the property. Miss B would reasonably have known a request for consent might be declined.

Miss B says Barclays should have told her or stated in the mortgage offer that consent to let is never given for a mortgage guarantee scheme mortgage. That wouldn't be right. Barclays' criteria do allow it to give permission to let for customers with a mortgage guarantee scheme mortgage in specific circumstances. Miss B's application didn't fall into one of these circumstances. When Barclays declined to give consent to let, it told Miss B this was because "you have a Help to Buy mortgage and the reasons for letting do not meet the criteria for Permission to Let".

Barclays says Miss B didn't ask the mortgage adviser about letting the property when she took out the mortgage. While Barclays didn't provide the fact find and other application documents, Miss B hasn't disputed this.

I don't know when Miss B formed her plans to travel and let out her property while doing so. She didn't contact Barclays about this until mid-May 2024. If this was Miss B's intention in 2021 and being able to let the property was important to her I'd expect her to have raised this with Barclays at the time. She didn't do so.

Barclays didn't have an opportunity to discuss any plans Miss B had to let the property with her. I can't fairly find that Barclays made an error in recommending the mortgage when it wasn't aware that Miss B wanted to be able to let the property.

Barclays provided a copy of its criteria for giving permission to let, in confidence. Miss B's request didn't meet the criteria. So I don't think Barclays made an error when it declined to give Miss B consent to let her property. I don't think it's fair and reasonable to require Barclays to give consent or pay compensation to Miss B for lost rent.

Barclays did make an error when it initially told Miss B it was willing to give consent. Miss B hasn't said or provided evidence that this error caused her financial loss. Miss B must have been disappointed when she was told this wasn't the case. Barclays gave Miss B a clear and correct answer within about four weeks of her initial application. In the circumstances, I think for the inconvenience and upset caused by Barclays' error £100 compensation is fair and reasonable.

My final decision

My decision is that Barclays Bank UK PLC should pay £100 to Miss B.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 12 December 2024.

Ruth Stevenson
Ombudsman