

## **The complaint**

Mr and Mrs M have brought this complaint in their capacity as Administrators of the estate of the late Mr JM and is about the late Mr JM's mortgage account with Barclays Bank UK PLC. Mr and Mrs M say that Barclays failed to provide them with information to enable them to obtain Letters of Administration (LoA), or clear information about how the mortgage account would be administered after Mr JM's death.

## **What happened**

I won't set out the full background to the complaint. This is because the history of the matter is set out in the correspondence between the parties and our service, so there is no need for me to repeat all the details here. In addition, Barclays has acknowledged it made errors and could have handled things better, so I don't need to analyse the events in detail in order to decide whether or not the bank is at fault. All I need to determine is whether or not the compensation Barclays has offered is fair, or if there is anything more the bank needs to do to put things right.

Finally, our decisions are published, so it's important I don't include any information that might lead to Mr and Mrs M or Mr JM being identified.

So for these reasons, I will instead concentrate on giving a brief summary of the complaint, followed by the reasons for my decision. If I don't mention something, it won't be because I've ignored it; rather, it'll be because I didn't think it was material to the outcome of the complaint.

This complaint arises out of a tragic situation – the sudden death of Mr JM. He died without leaving a will, and so his next of kin, Mr and Mrs M, needed to apply for LoA in order to deal with his estate.

In order to apply for LoA, Mr and Mrs M needed to know the mortgage account balance, but had some difficulty in obtaining this from Barclays. The bank told them – incorrectly – that they'd need to have a Grant of Probate in order to be given any information about the mortgage. Then when Barclays finally sent them the mortgage balance – several weeks after it had been requested, the decimal point had been put in the wrong place, so the information provided by Barclays was wrong. Furthermore, Barclays didn't call Mr and Mrs M when requested, or answer their queries about interest on the account.

Barclays had initially offered Mr and Mrs M £50 compensation, but after the complaint was raised with our service, Barclays acknowledge that it should have done more to help, and increased its offer by £200 to £250.

Our Investigator explained that, as representatives of Mr JM's estate, Mr and Mrs M weren't entitled to compensation for distress in their own right. But they had been inconvenienced in their capacity as Administrators of the estate in relation to the delay in being able to apply for the LoA, and in respect of information Mr and Mrs M were given about how interest would accrue, and how a payment of £5,000 would be allocated to the account.

However, the Investigator was satisfied that the estate hadn't suffered any financial detriment, even though Barclays hadn't provided Mr and Mrs M with the right information about interest and the application of payments. The Investigator explained that the overpayment had been directly deducted from the total mortgage balance. But Barclays had also given the Investigator incorrect information, which it later clarified, explaining that interest would be charged on arrears, as part of the outstanding mortgage balance. The Investigator reviewed and queried Barclays' figures, and was satisfied that the £5,000 overpayment had been correctly applied.

Barclays also increased its offer of compensation to £500. The Investigator thought the offer was fair in all the circumstances.

Mr and Mrs M disagreed with the Investigator's findings and asked for an Ombudsman to review the complaint. They've made some further points, which I summarise below.

- When Barclays finally produced a redemption statement for the mortgage to be settled in October 2024, Mr and Mrs M discovered the bank had charged interest on arrears. Barclays therefore provided "*dishonest*" information, which is shameful.
- The Investigator's outcome doesn't adequately reflect all the key points material to the complaint – the difficulty in obtaining the correct balance to enable them to apply for LoA, and not being given clear information on how interest would be charged and payments taken. Barclays refused to provide information about the mortgage but still expected Mr and Mrs M to pay it off.
- Mr and Mrs M accept they are not eligible complainants in their own right under our rules. However, they have experienced considerable distress, and unless this is brought to the attention of the Financial Ombudsman Service at the highest level, they can never hope for there to be a change in policy which will help other people in their situation. It is in the public interest that the position of representatives of a deceased person's estate should be reviewed by the Financial Ombudsman Service as a matter of policy.
- Because Barclays is not accountable to Mr and Mrs M personally, the bank is being "*let off lightly*". Barclays has not only been grossly unprofessional, but dishonest and its practices "*need to be held up to the light*".

### **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 would like to begin by expressing my sincere condolences to Mr and Mrs M on the death of Mr JM. I have no doubt this has been a dreadful time for them, and I can see from what they've told us that dealing with Barclays has been very stressful for them.

I'll begin by explaining that I've noted Mr and Mrs M's points about our remit to award compensation to the representatives of an estate. However, our rules are set by the regulator, the Financial Conduct Authority, and I can't ignore or override the rules. Given this, whilst I fully accept that the difficulties Mr and Mrs M experienced with Barclays caused them personally a great deal of upset, I don't have any power to award them compensation for this.

What I can consider is the inconvenience Mr and Mrs M were put to in administering Mr JM's estate. Barclays – wrongly – insisted that Mr and Mrs M would need a Grant of Probate or LoA before it could give them the account balance. But they couldn't apply for LoA without the account balance. Barclays has now accepted that Mr and Mrs M should have been given the balance and that its refusal to do so was an error on its part.

Barclays service fell short of the standard Mr and Mrs M should have received. Barclays could, and should, have done much more to help when the bank was first asked for the account balance. In addition, the bank didn't clearly explain how the account would be administered, and its actions caused Mr and Mrs M a great deal of inconvenience.

Barclays has also acknowledged that Mr and Mrs M weren't given the correct information about how interest would be charged on arrears or across the account balance. The bank's mistakes were telling Mr and Mrs M – incorrectly – that interest would be frozen for twelve months, and (conversely) that arrears charges would be suspended for twelve months but interest would continue to be charged.

Barclays also told the Investigator that an overpayment balance would be deducted from the account balance and that additional payments would be negated by this, which wasn't correct either. The actual position is that missed payments prior to the £5,000 overpayment resulted in an increased capital balance, on which interest was charged.

I've looked at the account records, including the reconciliation Barclays carried out (a copy of which Mr and Mrs M have been provided with). I'm satisfied that a £5,000 lump sum payment Mr and Mrs M made to the account has been correctly applied. Ultimately there is no financial loss to the estate, because it appears to me that Barclays has administered the payments correctly, notwithstanding that incorrect information was given about how interest would be applied. If Mr and Mrs M still disagree, it's open to them to have the account audited by an accountant or actuary, at their own expense. If this shows any other errors by Barclays that have caused loss to the estate, Mr and Mrs M would be able to bring a fresh complaint to Barclays about this, and claim the cost of the audit as part of the redress.

### **Putting things right**

Barclays has offered the estate compensation of £500 for the inconvenience caused to Mr and Mrs M. As stated above, I can't award compensation to Mr and Mrs M for any personal impact on them for what happened, or make changes to our rules or policies to accommodate their wish that other people in their position don't lose out.

Because I'm satisfied there is no actual financial loss to the estate, I think the £500 offered by Barclays for the inconvenience caused to Mr and Mrs M in their capacity as Administrators of the estate of the late Mr JM is fair and reasonable in all the circumstances.

### **My final decision**

My decision is that Barclays Bank UK PLC must pay the estate of Mr JM £500 compensation. I make no other order or award.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr and Mrs M on behalf of the estate of Mr JM to accept or reject my decision before 13 January 2025.

Jan O'Leary  
**Ombudsman**