

## **complaint**

Mr P and Ms N complain that Barclays Bank PLC has ignored their request to change their mortgage from part repayment/part interest only to all repayment. They want Barclays to make the change and make up the difference in payments from March 2014 to date.

Barclays has offered to pay £100 for any inconvenience Mr P and Ms N have suffered.

## **background**

Mr P and Ms N were discussing both borrowing some additional money on their mortgage and changing the repayment arrangements they had. Although they didn't go ahead with the extra money, they say that Barclays should have altered the repayment arrangements as requested.

Barclays says it explained to Mr P and Ms N that it would only do that if they completed an application. It says Mr P and Ms N never completed an application so the request wasn't actioned after the meeting they had.

Mr P and Ms N have countered that position by saying that Barclays should have completed the change as it was in their best interests – and that Barclays' own arrangements meant it didn't have to complete a full assessment. They also say they thought they had made an application.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I can see that Mr P and Ms N were discussing their mortgage with Barclays in early 2014. And I can see that some monthly payment figures were calculated by Barclays for a conversion from part repayment/part interest to full repayment on the mortgage. But I also see that figures were provided for additional lending – which Barclays says was later declined. So I don't think Mr P and Ms N were simply asking to change the repayment model, but discussing a more complex set of circumstances. Although I don't know exactly why the extra money was refused, it's not unreasonable to think that affordability was part of the decision.

Barclays also says that it told Mr P and Ms N that to change the repayment method it would need Mr P and Ms N to complete an application. Mr P and Ms N say they have done that. I can understand that they might think that a discussion about such a change was the equivalent of an application – but I think that's for Barclays to decide. And, having looked at Barclays' procedures for this, it's clear that an application is intended to be in a permanent format rather than simply discussed.

Mr P and Ms N say also that Barclays should use transitional arrangements agreed by the FCA to make the change they want. Those arrangements allow Barclays to make such a change without a full affordability assessment under certain conditions. I don't think Mr P and Ms N necessarily meet those conditions – which are largely based on a borrower whose circumstances haven't changed much since they took out the mortgage. Mr P and Ms N have told us that they own several properties and the one that is the subject of this complaint is a second home. So their situation is more complex. Given that, I think it reasonable for

Barclays to want to know the full picture about Mr P and Ms N's circumstances before it agrees any changes. Barclays hasn't said it *won't* make the change – so if Mr P and Ms N still want this, then they need to give the bank an application and any information it requests so it can reach a decision.

The bank has offered to pay Mr P and Ms N £100 for any inconvenience it has caused in handling the complaint. I think that's an appropriate amount as I don't think Barclays' original actions were a mistake.

**my final decision**

My decision is that Barclays Bank PLC must pay Mr P and Ms N £100 in recognition of the inconvenience they have suffered.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Ms N to accept or reject my decision before 9 July 2015.

Susan Peters  
**ombudsman**