

complaint

Mr and Mrs D complain about the way Barclays Bank PLC dealt with the debt secured by a charging order against their property.

background

Mrs D provided a personal guarantee to Barclays in support of her company borrowing. The company ceased trading and Barclays made a demand under the guarantee. As Mrs D could not pay it applied for a charging order against the property she owned jointly with Mr D. This was made in 2010. Mrs D continued to pay £10 a month to Barclays but had no further contact from it. In 2014, when Mr and Mrs D wanted to sell the property, they were told that the debt had increased due to interest. Barclays agreed to reduce the debt by over £2,700. It initially provided an incorrect figure to Mr and Mrs D's solicitor. It offered to pay Mr and Mrs D £100 as it did not respond to their complaint in the required timescale.

The adjudicator did not recommend that it do any more. She said that as the charging order had been made by a court, this service could not go behind this. She could see why Mr and Mrs D were unhappy with the subsequent service provided by Barclays. But, she said that the reduced settlement amount more than compensated them for this.

Mr and Mrs D did not agree and wanted compensation of £500. They said that Barclays had agreed a settlement amount and then dealt with them in an appalling way. This could not be excused by the reduced settlement amount.

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 agree with the adjudicator that this service cannot consider a complaint about the circumstances in which the charging order was made by a court. Strictly speaking this charging order related to Mrs D's beneficial interest in the property she owned jointly with Mr D. But, I appreciate that this made little difference in practice to the way they viewed this. She had legal representation both at the time the charging order was made and when they sold their property.

Barclays has been unable to explain why it had no contact with Mrs D after 2010 and did not, for example, send her any statements of the outstanding secured debt. It said that Mrs D was clearly aware that this debt existed and arose from court proceedings which she defended. I can see that Mrs D continued to pay £10 per month towards the debt and knew that she needed to deal with the charging order when she sold the property. Barclays has provided a copy of the related case records showing that it tried to contact her solicitors in May 2014 about the progress of the sale. I know Mrs D has been told by her solicitors that there was no such contact. When a redemption statement was requested this was initially at the higher amount. But, Barclays agreed to stick to its original offer on the day of completion.

Barclays was not required to make this concession on the debt. So I am unable reasonably to require it to pay anything further to reflect the poor service and distress. It has offered to pay £100 for poor complaint handling which I consider to be reasonable.

my final decision

In light of the above my decision is that Barclays Bank PLC should pay Mr and Mrs D £100 as it has offered to do.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr and Mrs D to accept or reject my decision before 10 July 2015.

Michael Crewe
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