

complaint

Mr and Mrs E complain that Barclays Bank Plc changed the interest rate on their mortgage when it took it over from their previous lender, Bank I.

our initial conclusions

Our adjudicator didn't recommend the complaint should be upheld. She found that the Standard Variable Rate (SVR) with Bank I was the same rate as the tracker rate Barclays had put them on. She noted Barclays had offered £150 for poor customer service, which she felt was fair.

Mr and Mrs E disagree. They want Barclays to pay the cost of them moving their mortgage to a new lender.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr and Mrs E and Barclays have provided. Mr and Mrs E had previously been on SVR with Bank I. When Barclays took over the mortgage, this SVR was 3.99%. Barclays' own SVR was 4.99%. Barclays wanted to be fair to Bank I's customers, so it created a new rate for them, a lifetime tracker at 3.49% over Base Rate, so 3.99%, the same as their old rate. But Mr and Mrs E say this isn't fair, because Base Rate might rise and then they'll be left on a higher rate than the old SVR with Bank I. But it's not possible to speculate on how Base Rate might move in the future. What I have to consider is whether or not Barclays' actions have resulted in any financial loss or material distress or inconvenience to Mr and Mrs E.

Overall, I'm satisfied Barclays acted fairly when it moved Mr and Mrs E to the rate it had specially created for Bank I's customers – a rate which mirrors their previous SVR. Barclays has explained that Bank I's SVR also followed Base Rate but could be increased above any fluctuations in Base Rate. So in all the circumstances, I'm not persuaded Mr and Mrs E have suffered any loss. Barclays has accepted it took too long to deal with the complaint. It's offered £150 compensation for this, which I think is fair in all the circumstances.

My decision is that I don't uphold this complaint. I simply leave it to Mr and Mrs E to decide if they want to accept the compensation offered by Barclays Bank Plc of £150 for its customer service in handling this complaint in full and final settlement.

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

Jan O'Leary

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

I don't underestimate Mr and Mrs E's strength of feeling about this matter. But I can see no basis on which I can order Barclays to pay the cost of them moving to a new lender, or for a financial adviser. Mr E says that Barclays has tried to convince him that its product would leave him no worse off. He feels this is Barclays trying to give him independent financial advice, which he says it isn't "*registered to do*". But Barclays was simply explaining its position and attempting to clarify to Mr and Mrs E that they are, in fact, no worse off on the tracker than they were on Bank I's SVR, because this also tracked Base Rate.

Mr and Mrs E are free to take independent financial advice if they wish to do so, but I'm satisfied Barclays isn't required to pay for it. They are also free to move to another mortgage lender if they don't want to stay with Barclays, but must bear the cost of this themselves.

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.