

The complaint

Mrs W complains Barclays Bank UK PLC failed to remove her from a joint bank account she held with her husband. This led to her being pursued for an outstanding debt and a default notice was placed on her credit file.

What happened

Mrs W held a joint bank account with her husband. Mrs W says in November 2018 her husband contacted Barclays to confirm details of a debt management plan he had entered. He asked Barclays to remove Mrs W from the joint account and it be closed.

In January 2019 Mrs W received a termination notice on the account. Mrs W says this was the first point they realised the account hadn't been closed. Mrs W received a letter from Barclays in May 2019 which stated the outstanding balance had been transferred to a third party and a default notice had been placed on her credit file in February 2019.

Barclays say in November 2018 it received notice from Mrs W's husband he was seeking debt advice, and later in the month received details of a payment plan to reduce the overdrawn balance on the joint bank account. It said it has no record of Mrs W's husband requesting she be removed from the joint account – or the account be closed. It says it issued a termination notice in January 2019 and in February 2019 the account was closed, sent to its recovery department, and later transferred to a third-party debt recovery company.

Mrs W complained to Barclays. She told Barclays she was only aware of the outstanding balance and default as a result of its letter. Mrs W says after complaining to Barclays she experienced conflicting information throughout the complaint process with Barclays and went round in circles.

Barclays acknowledged some failings in the way it had handled Mrs W's complaint, and how the debt recovery had been administered – in particular once the termination notice had been issued and the account closed. It offered Mrs W £100 for the distress and inconvenience caused. But it didn't uphold her complaint about the default notice being placed on her credit file. It said if it had received a request to remove Mrs W from the joint account, it wouldn't have agreed to the request because the account was overdrawn. Barclays said it had knowledge of her husband's financial difficulties. And as such Mrs W was jointly and severally liable for the outstanding debt.

Mrs W wasn't satisfied with Barclays' response, so she referred the complaint to our service.

Our investigator reviewed the complaint and didn't recommend it be upheld. She found Barclays had acted in line with its terms and conditions. She also found when a joint account is in its overdraft, both parties are liable for the debt. And because the account was in its overdraft facility, Barclays wouldn't have removed Mrs W from the account even if both parties had agreed to the request. Our investigator considered Barclays offer of £100 to Mrs W in recognition of the poor service she had received during its complaint process, and concluded this amount was fair and reasonable in the circumstances.

Barclays didn't respond to our investigator's assessment. Mrs W responded to say she disagreed with our investigator's outcome. She said her husband had contacted Barclays by telephone in November 2018 to remove her from the account – and was told by a Barclays representative there was evidence of this request. She also said when they visited a Barclays branch in November 2018, they were told the request needed to be made via telephone banking and she wasn't told she needed to follow this up. Mrs W also says Barclays acted on her husband's sole instruction to close the account without her authority, so doesn't understand how this can be considered a joint account if Barclays can take instruction from a sole party.

Mrs W asked for the complaint to be referred to an ombudsman, so the complaint has been passed to me to decide.

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.

Having done so, I don't require Barclays to do anything more. I'll explain why.

When Mrs W's husband made Barclays aware of his debt management plan, it proceeded to issue a termination notice on the account, which meant the outstanding debt became immediately payable.

I've checked Barclays' terms and conditions to see what it would reasonably be expected to do when looking to recover outstanding debt on a joint account.

Under the section titled "*Borrowing on a joint account*" it states:

"We can demand payment of the whole amount you owe us under the agreement, and not just a share of it, from everyone named on the account or from just one or some of you... This is technically called 'joint and several liability', and you are all 'jointly and severally liable'.

What does 'jointly and severally liable' mean?

If you are both jointly and severally responsible for a debt, it means we can ask each of you for a proportion of the debt (joint liability). However, if for some reason we can't collect the money from everyone, we have the right to collect it from just some or one of you (several liability)."

I think the terms are clear in explaining both parties are jointly and severally liable for any outstanding debt – and what this means for Mrs W. And once the debt hadn't been repaid in accordance with the termination notice, Barclays reported this to credit reference agencies. So, the default notice on Mrs W's credit file is an accurate reflection of the status of the debt for which she is responsible for.

Mrs W said her husband requested she be removed from their joint account in November 2018. Mrs W also questions why Barclays later closed the joint account based on her husband's sole instruction.

Barclays has told us it made the decision to close the account based on the information Mrs W's husband provided about his financial circumstances – and it wasn't as a result of a request from him. Barclays says it has no record of Mrs W's husband's request. Therefore, this was a commercial decision it was entitled to make.

Where the evidence contradicts, as it does so here, I need to make a decision on the balance of probabilities. In other words, I've weighed up everything provided by both parties and determined on what I think most likely happened.

In this case I find it more likely Barclays would have declined to remove Mrs W from the joint account had a request been made. I say this because the account was in its overdraft facility, and it's unlikely Barclays would have removed any party with a liability while there was an outstanding debt – in line with the account terms. And as such I find it more likely Barclays instead acted as a result of being made aware of Mrs W's husband's financial circumstances.

Mrs W says she wasn't given an opportunity to pay towards the debt. But I'm satisfied the termination notice sent in January 2019 does afford Mrs W the opportunity for the balance to be settled in full. This is in line with the account terms and as such I don't find Barclays actions unreasonable here.

I've considered the conflicting information Mrs W received from Barclays during the complaint process – and the distress and inconvenience this caused. And I find Barclays offer of £100 compensation to be fair and reasonable.

In summary, I find Barclays has acted in line with the terms of the account and has reported accurate information about the outstanding debt to credit reference agencies. So I won't require it to do anything further.

My final decision

My final decision is Barclays Bank UK PLC's offer of £100 compensation is reasonable. So if Barclays Bank UK PLC hasn't already done so it must pay Mrs W £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 20 May 2020.

Dan Prevett
Ombudsman