

The complaint

Ms G complains that Barclays Bank UK PLC trading as Barclaycard (Barclaycard) mishandled her debt with them.

What happened

Ms G had a credit card with a card issuer since 2004. It was taken over by Barclaycard and her debt was transferred to Barclaycard in 2011. She was making payments of £45 per month. In 2014 she asked for the debt to be written off as she was in financial difficulty. And advised her change of address. In August 2019, she offered £110 in full and final settlement of the debt which was then £280. At the same time, payments stopped. A default notice was issued in February 2020.

Ms G complained about several issues.

- She first advised Barclaycard in 2014 that she was in financial difficulty and asked then that the debt of £600 be written off. She also advised them then of her change of address. She continued to pay monthly instalments but by 2019, she was suffering further financial difficulty and had mental health problems - she showed us evidence of this. She showed us evidence that she'd written to Barclaycard in 2014 – and their acknowledgment to her.
- In August 2019, she asked again that the debt of £280 be written off – she offered £110 to settle it. She'd had further mental health problems, and her financial situation had got worse. She had got help from Step Change and Citizens Advice Bureau – who supported her with a statement of affairs. They said that her offer should be accepted. She said correspondence was still being sent to her old address – she'd moved in 2014. She asked for entries on her credit file to be removed, and for a copy of her original credit card agreement – as she wasn't certain about the legality of the debt. She said that over the years, she had given Barclaycard a lot of information about her health problems and financial difficulties.
- In October 2019 – after she'd written to Barclaycard in August 2019, she said she was being chased again by them for repayment. She wrote to Barclaycard again about her offer of repayment, her change of address and financial difficulties. Barclaycard opened a formal complaint.

In October 2019, Barclaycard placed a freeze on interest and charges on Ms G's account and asked her for information about her circumstances. They issued a default notice in February 2020 – they said they were legally obliged to do this. In February 2020, Barclaycard said in their final response that they wouldn't remove the entries on Ms G's credit file and the debt was payable. They said they enclosed a copy of the original credit agreement. They apologised that Ms G's address hadn't been changed – and didn't know why - but it had now been done. They said to us they didn't have a record of Ms G's contact with them in 2014.

Later, after discussion with us, Barclaycard agreed to write off the balance of £299 and to

remove the entries on Ms G's credit file. They accepted they should've changed her address on file sooner. They said they'd written to Ms G in August 2019 at her old address in error. And accepted that they didn't send a copy of the credit agreement with their final response. They also agreed that they took too long to deal with Ms G's complaint and to issue their final response. Later, in June 2020, they found that Ms G did in fact contact them in 2014 – and a payment plan of £25 per month was then agreed.

In December 2019, Ms G brought her complaint to this service. Our investigator looked at what had happened. In June 2020, she said that Barclaycard hadn't acted reasonably. She said:

- That more likely than not, Barclaycard had received Ms G's letter in 2014. Because this hadn't been dealt with, Ms G had continued to make payments and suffered distress and inconvenience over the years. She suggested compensation of £250.
- Barclaycard should've updated Ms G's address earlier than they did. Even though Ms G told them about her new address in August 2019, they still wrote to her at her old address in October 2019. They'd accepted their error in their final response in February 2020. She suggested £50 compensation. This also meant that Ms G didn't get Barclaycard's letter asking her to call them to discuss her situation, causing a further issue – a further £50 compensation was recommended.
- She said default notices weren't fair – because Ms G wasn't sure her debt was valid, (as it was originally with another lender) and Barclaycard hadn't given her a copy of the agreement as she'd requested. She said £100 should be paid for the distress the default notices caused. And the credit file entries should be removed. And further £50 for not supplying the credit agreement as they'd promised to do.
- She said that there should be a further award of £500 for the distress and inconvenience caused for Ms G over the years – Barclaycard should've done more to support her regarding the provision of information she'd asked for, and in responding to her requests for support.

Barclaycard said they didn't completely agree. They had responded to Ms G in 2014 and so the £250 wasn't appropriate. And they'd only been advised of her new address in August 2019 – so the £50 wasn't fair either. And there shouldn't be any doubt about the validity of the debt as it was discussed with Ms G in 2014 – so the £100 wasn't fair either.

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've looked at Ms G's complaint and thought about it a lot. Ms G has obviously suffered over the years in terms of her financial difficulties, her personal situation, and her mental health. She's provided us with a lot of information and has argued passionately that she needed support from Barclaycard and didn't get it. I can see that's the case here – and while Barclaycard have ultimately acted fairly and reasonably since Ms G brought her complaint to us, unfortunately, they didn't act earlier, causing her a lot of distress in the meantime as she tried to sort matters out.

At the heart of what happened is that Ms G contacted Barclaycard in 2014 – she said then was in financial difficulty and asked that her debt be written off. Barclaycard said they had no record of this taking place. This in itself caused Ms G distress – she had to bring to us

evidence and arguments that the contact did happen – and Barclaycard eventually found in their records that this was so. But - not until June 2020. I acknowledge that with the passage of time, records from several years ago may be difficult to find - but it took several months for Barclaycard to do this. Ms G told us that she'd tried to deal with Barclaycard about her difficulties several times over the years – but they don't have a record of any other contact. I accept that we don't have specific details of her finances in 2014 – and payments of £25 per month were agreed. But she said she was in financial difficulty then – so - if Barclaycard had got to grips with her situation then – a lot of distress may have been avoided.

Ms G also told us that she advised Barclaycard of her change of address at a similar time. And when Ms G advised Barclaycard of her change of address again – in August 2019 – they still wrote to her at the wrong address in October 2019 – about overdue payments.

Ms G wanted to establish the validity of her debt with Barclaycard and asked for a copy of the credit agreement. Barclaycard say they sent it with their final response – Ms G said it wasn't enclosed. Ms G also says she didn't get her statements over the years – because the wrong address was held by Barclaycard – and she didn't chase them as she wasn't in a good place to deal with her problems. I can quite see this.

When Ms G contacted Barclaycard in August 2019, they had the opportunity to deal with Ms G's problems positively, but unfortunately didn't. She sent to them a completed income and expenditure form and medical information. But they then wrote back to her to her at the wrong address – asking her for the same information - and continued to send her chasing letters – although I accept the default notice had to be sent to her.

To be fair, Barclaycard did respond positively in discussions with us as they:

- Agreed to write off the debt of £299.
- Agreed to change Ms G's credit file to delete the information about defaults and late payments.
- Apologised for their error in not changing her address and writing to her old address.
- Apologised for not send her a copy of her credit agreement.
- Apologised to us for taking too long to reply to her formal complaint

Barclaycard have argued that the compensation recommended by our investigator in respect of what happened in 2014 wasn't appropriate – as they'd established they had discussed the debt with Ms G at that time. But equally, Barclaycard maintained for a significant time while during our investigation that the events of 2014 may not have taken place – causing more distress to Ms G. And they said they'd only been advised of her change of address in August 2019. On the latter point, it's not clear whether Ms G did, or didn't advise her change of address earlier.

But – taken in the round, and on balance, I think there's enough evidence here for me to decide that Ms G suffered significant distress and inconvenience here over several years - and I agree with our investigator regarding the total amount of compensation that should be paid to her. So – my decision is that Barclaycard must pay to Ms G £1000 for distress and inconvenience. For completeness, I'd also ask Barclaycard to ensure that Ms G's credit file is updated to remove the default and late payments information, and that the debt has been written off and the account closed.

I hope that the resolution of her complaint in some way helps Ms G to get her life back on

track.

Putting things right

Barclaycard must pay to Ms G compensation of £1000 for distress and inconvenience. Ms G should advise Barclaycard how she would like this payment to be made – to which bank account. She can advise us of this if she wishes.

Barclaycard must ensure that the default and late payment markers on Ms G's credit file are removed, and the account is written off and closed.

My final decision

I uphold this complaint.

Barclays Bank UK PLC trading as Barclaycard must:

- Pay £1000 compensation to Ms G.
- And ensure the debt is written off and account closed.
- Remove late payment and default markers at credit reference agencies in respect of Ms G's debt.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 29 April 2021.

Martin Lord
Ombudsman