

The complaint

Mr S complains that Barclays Bank UK PLC failed to support him when he wasn't able to pay his credit card, during a particularly difficult time.

What happened

Mr S told us that he experienced very distressing bereavements. He told us that he took some unpaid time off work because of this. Mr S said he told Barclaycard about his difficulties in late 2019, but it wasn't sympathetic. He wanted us to look at what it had done.

Barclaycard said it had spoken to Mr S about his circumstances in early November 2019, after it had sent him a couple of text messages reminding him that he needed to pay his credit card. He'd promised then to make a payment on 9 November, but he hadn't been able to do that.

Barclaycard tried to ring Mr S again a couple of times, then spoke to him in early December. Mr S told Barclaycard that he was off work at that time, to support his family. Barclaycard applied a hold on interest and charges for 30 days, and wrote to him to confirm that.

Mr S next spoke to Barclaycard on 15 January 2020. At that stage, Barclaycard's notes indicate that Mr S thought he would be able to bring his account back up to date by paying £54.12 within a few days of this call, then the same amount monthly over the next three months. Barclaycard said that because it thought Mr S was getting his account back on track, it didn't extend the hold on charges. So interest was charged on his January and February 2020 statements. But Mr S only made the first of the four payments he'd agreed to.

Mr S spoke to Barclaycard again in early March 2020. It had reduced Mr S's credit limit in September 2019, and he was unhappy about this. His account was in arrears, but he said then that he could maintain future payments.

Mr S rang Barclaycard in mid-March, to complain that it had closed his card account, so he could no longer spend on the card. He said he was too upset to complete income and expenditure information on that call, so Barclaycard sent this to him in the post, and said it would waive interest again. But it wouldn't reopen his account.

Barclaycard said that we could see on Mr S's September statement that it had refunded interest it had charged him. Barclaycard also said that in July it had agreed a 12-month repayment plan which would mean Mr S pays £15 monthly for 12 months at 0% interest.

Barclaycard thought it had provided adequate support to Mr S since he told it about his circumstances. His card account was closed on 27 February 2020, but that only happened after he'd missed the payments for four of his statements. Barclaycard said its terms and conditions say it can stop its customers from using the card, and borrowing more, if it reasonably considers that is necessary because the risk of someone not paying the total outstanding balance has significantly increased.

Our investigator didn't think this complaint should be upheld. She said that she was sorry to hear about Mr S's very difficult personal circumstances. In this sort of situation we would expect a business to be positive and sympathetic. Barclaycard could do that by putting a hold on fees and charges for a set period or agreeing affordable payments with Mr S to clear any arrears.

Our investigator said Barclaycard had done what we would expect. It had repeatedly offered Mr S "breathing space" – 30 days where it wouldn't charge fees or interest. And it had set up arrangements to clear the arrears, although our investigator said she could understand why Mr S didn't keep to those.

Our investigator said it wasn't unreasonable for Barclaycard to say that Mr S couldn't use this card any more, because of the arrears that had built up. She said Barclaycard would've been aware that no payments had been made, and the action it took prevented Mr S's debt from getting bigger. Our investigator said she appreciated that it was upsetting for Mr S that Barclaycard had permanently closed his card, but he was some months behind on his payments. She could see that Mr S had agreed a payment plan on his account after this, and had been sticking to it.

Mr S didn't agree, he said he had really been messed around by Barclaycard. He wanted an ombudsman to consider his complaint.

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 reached the same overall conclusion on this complaint as our investigator.

I'd like to start by saying that I'm very sorry to hear about the distressing personal circumstances that Mr S and his family have experienced over the last couple of years. I do understand that this has made things difficult for him, and that his finances won't have been his primary focus at this time.

I can see from Mr S's statements that he missed a payment in July 2019. His balance was tending to increase around that time. His September statement shows that Barclaycard had decided to reduce Mr S's overall credit limit to £950. I don't think this decision was connected to the difficult personal circumstances Mr S later told Barclaycard about. Barclaycard is allowed, under the terms of this card, to reduce the credit limit, based on its assessment of risk. So I don't think Barclaycard did anything wrong when it did this.

Barclaycard spoke to Mr S in November 2019, and then a number of times after that, about payments towards his card. Mr S told Barclaycard about his family circumstances, and how that was affecting his finances. I can see that Barclaycard repeatedly agreed not to charge Mr S interest, and it tried to set up repayment plans with him. That's what I would expect Barclaycard to do. Unfortunately Mr S wasn't able to stick to these.

Barclaycard didn't suspend all of the interest that Mr S was paying. It charged him interest in November, January, February and April. It may have done that because it thought Mr S was going to get his payments back on track. But, with hindsight, it's clear that Mr S was still having difficulties at this point, and I'm pleased to see that Barclaycard has now refunded all the interest it charged then.

Barclaycard suspended use of Mr S's card, and then closed the card for future use in March 2020. Barclaycard's notes from the time show that Mr S was very upset by this. But I agree with our investigator, that Barclaycard didn't do anything wrong when it did this. It has the right to close a card to future use under the terms of this account. And I think, given the arrears that had built up on Mr S's account, and that he'd not been able to manage a payment plan at this point, that it was a reasonable step for Barclaycard to take. As our investigator said, doing this stops Mr S from getting further into debt. I realise that this upset Mr S, but I don't think Barclaycard was wrong to do this.

I do think that Barclaycard has offered Mr S the financial support with his card debt that I would expect to see. I know that Mr S will be disappointed, but I don't think this complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 4 January 2021.

Esther Absalom-Gough

Ombudsman