

The complaint

Mr L is concerned that balances Barclays Bank UK PLC say are owing on two accounts are incorrect, and he is unhappy that these accounts were sold to a debt purchasing company.

What happened

Mr L had two credit accounts with Barclays. Mr L was shocked to be advised by Barclays that there were outstanding balances on both accounts, and he was suspicious about the amounts the Barclays said were outstanding because they were similar to Payment Protection Insurance ('PPI') repayments received from a recent claim. Mr L was also unhappy that Barclays then sold both accounts to a debt purchasing company. So, Mr L made a complaint.

Barclays looked at Mr L's complaint, but they didn't feel that they had acted unreasonably or unfairly toward Mr L, so they didn't uphold it. Mr L wasn't satisfied by Barclays response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they also didn't feel that Barclays had acted unfairly or inappropriately here. So, they didn't uphold the complaint either.

Mr L remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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 find that I have reached the same outcome as our investigator here, and for essentially the same reasons.

I have reviewed the history of these accounts, which demonstrate that Mr L was making monthly payments towards these accounts of £35 and £45 respectively. However, Mr L stopped making these payments in June 2016, after which time both accounts fell into arrears.

Mr L has advised that he was shocked to discover that there were outstanding balances on these accounts. But there is considerable prior correspondence between Mr L and Barclays which confirm that Mr L was aware that there were outstanding balances remaining on these accounts. These include letters sent by Barclays to Mr L in July, August, September, and October 2016 where Barclays advise Mr L that his accounts are in arrears. And it is evident that Mr L responded to a number of these letters.

I also note a previous complaint response letter issued by Barclays to Mr L which specifically addresses that Mr L was unhappy with phone calls he was receiving from Barclays in October 2016 because these accounts were in arrears.

So, considering the above, it's difficult for me to conclude that Mr L wasn't aware of the outstanding balances on these accounts. Rather, the evidence available to me appears to confirm that Mr L was aware that balances were outstanding on these accounts and had been corresponding with Barclays about these outstanding balances. It follows that I will be unable to uphold this aspect of Mr L's complaint.

Mr L has also stated that he finds the amounts outstanding on these accounts suspicious as they correspond with awards for PPI he had previously claimed. However, only one of the accounts in question had PPI, and the amount awarded following the successful PPI claim differs significantly from the balance now owing on that account. I've also seen nothing during my review which would suggest that these outstanding balances aren't legitimate or that their accrual is unusual in any way.

Mr L is also unhappy that these balances were sold to a debt purchasing company, and that this took place while he had an ongoing complaint with Barclays. Addressing the second point first, I can see that Barclays issued a complaint response to Mr L on 9 February 2017 and that the accounts were then sold to the debt purchasing company on 13 February 2017. So, I'm satisfied that Barclays issued a response to Mr L's complaint before selling the outstanding balances to the debt purchasing company.

And I'm also satisfied that it was reasonable that Barclay's did sell the debts to the debt purchasing company. As previously mentioned, Mr L stopped making payments against both accounts in June 2016. Following this, as described previously, Barclays made efforts to contact Mr L regarding these outstanding balances, but no further payments were received. This led to Barclays issuing default notices to Mr L, and when no payments were made by Mr L following these notices, to then default both accounts on 3 February 2017. After which time the accounts were sold to the debt purchasing company.

So, it's difficult for me to conclude that Barclays have treated Mr L unfairly or unreasonably here, and it follows from this that I won't be upholding this complaint or asking Barclays to take any further action at this time. I realise that this won't be the outcome that Mr L was wanting, but I hope he can understand, based on what I have explained above, why I have reached the decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 31 March 2021.

Paul Cooper
Ombudsman