

## **The complaint**

Ms E is unhappy that Barclays Bank UK PLC sold her account to a debt collection agency without informing her.

## **What happened**

Ms E had a loan with Barclays which she was struggling to repay. Ms E contacted Barclays who took details of her income and expenditure and who then agreed a 12-month payment plan for Ms E. When setting up the payment plan, Barclays explained to Ms E that at the end of the 12-month period they would contact Ms E and have another conversation with her to see what her financial circumstances were at that time.

However, when the 12-month payment plan ended, Barclays didn't contact Ms E like they had said they would, but instead sold Ms E's account to a debt purchasing company. Ms E wasn't happy about this, so she made a complaint.

Barclays looked at Ms E's complaint, but they explained that they had no record of stating to Ms E that they would contact her at the end of the 12-month payment plan, and so they didn't feel that they had acted unfairly by not doing so. So, they didn't uphold Ms E's complaint.

Ms E wasn't satisfied with Barclays response, so she referred her complaint to this service. One of our investigators looked at this complaint. They listened to the recording of the telephone conversation between Ms E and Barclays where the 12-month payment plan had been agreed, and they noted that the Barclays advisor did tell Ms E that Barclays would contact her again at the end of the 12-month payment plan, as Ms E had claimed.

So, our investigator recommended that the complaint be upheld in Ms E's favour and that Barclays should buy back Ms E's account from the debt collection agency as well as pay Ms E £100 compensation for the inconvenience she had incurred.

Barclays didn't accept the recommendation put forward by our investigator and cited the fact that restrictions with their internal systems would make buying the account back from debt collection agency problematic. 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.

I've listened to the recording of the telephone conversation between Ms E and Barclays where the 12-month payment plan was agreed, and I can confirm that Barclays advisor does clearly explain to Ms E that Barclays would contact her at the end of the 12-month payment plan to discuss her financial situation at that time. So, it's understandable that Ms E would have expected Barclays to contact her at the end of the payment plan, as they had promised that they would.

However, instead of contacting Ms E at the end of the 12-month payment plan, Barclays sold the debt to a debt collection agency. This action – the sale of an account which has fallen into arrears to a debt collection agency – isn't unusual and isn't in and of itself problematic. But it would be expected by this service that a business wouldn't sell an account to a debt collection agency when they had previously explained to that customer that they be taking a different course of action, such as is the case in this instance.

It also must be noted that Ms E has health and financial issues which mean that it's reasonable to consider her as being in a vulnerable position. And Ms E has explained to this service that she finds her interactions with the debt collection agency to be particularly distressing.

So, while I commend Barclays for taking due account of Ms E's financial circumstances and reacting positively and sympathetically toward her by agreeing the initial 12-month payment plan, I feel that, had Barclays contacted Ms E at the end of the 12-month payment plan, as they had said that they would, and learned of Ms E's continuing difficulties, I believe that it's more likely than not that Barclays would have recognised that Ms E was in a vulnerable position such that it wouldn't have been appropriate to sell her account to a debt collection agency.

For this reason, I feel that a fair and reasonable resolution to this complaint would be for Barclays to buy back the account from the debt collection agency and agree a payment plan with Ms E based on her current income and expenditure information.

Barclays have explained that their internal systems make the buying back of accounts such as this problematic. I can understand how this may be the case. But instructing a business to buy back an account from a debt collection agency is an instruction that it's within this services' remit to make. And I don't feel it's fair or reasonable to ask Ms E to consider continuing her interactions with the debt collection agency, which she has explained causes her distress, because of internal difficulties that Barclays own systems present and which are no fault of Ms E.

Additionally, given that Ms E has incurred both distress and inconvenience here, I also feel that it's fair that Barclays should pay Ms E £100 to compensate her for this.

I realise that this won't be the outcome that Barclays were wanting, but I hope that they can understand, given everything I have explained above, why I have made the final decision that I have.

### **Putting things right**

Barclays must repurchase or recall Ms E's account from the debt collection agency and arrange a suitable repayment plan with Ms E based on her income and expenditure information.

Barclays must also pay Ms E £100 to compensate her for the distress and inconvenience she has incurred.

### **My final decision**

My final decision is that I uphold this complaint against Barclays Bank UK PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms E to accept or reject my decision before 4 June 2021.

Paul Cooper  
**Ombudsman**