

The complaint

X complains that his application for a Premier account debit card was refused in error and that incorrect information has been recorded on his credit file by Barclays Bank UK PLC.

What happened

On 18 May 2021, X applied for a Premier account online but had some issues completing the process, as it appeared he had been declined. He telephoned Barclays and the advisor explained there had been some technical issues with applications and they went through the upgrade manually instead. There were issues with the debit card being applied for over the phone, so a call back was arranged.

X spoke with another advisor the following day who again went through the manual application for the debit card. It came back that this had been rejected due to X'S credit score. X felt this must be incorrect as he had a perfect credit score and he had been told the previous day that Barclays was having issues with applications. But the advisor explained he would have to appeal. A complaint was raised at that time and X felt the advisor had personally been rude to him.

Barclays issued a final response letter on 24 May 2021 in which they explained they declined the application based on information received from the credit referencing agencies. They also felt the advisor had been helpful and processed the application before giving X the outcome. X was unhappy that Barclays appeared to have completed a credit check on him on 24 May 2021, the same day they issued the final response letter to him. And he thought that Barclays may have created searches in the name of a third-party provider we'll call Z.

X applied over the telephone for the debit card again on 27 May 2021 and was successful. However, he was unhappy that Barclays appeared to have completed a hard search on his credit file to approve this.

Once the complaint was referred to our service, Barclays reviewed the case and confirmed the advisor had made an error in the phone call on 19 May and processed the application incorrectly. Which led to the debit card application being declined. They apologised and offered £100 compensation to X. They also confirmed they had recorded the application made on 27 May to X's credit file but had not added anything else prior to that for the 19 May application, nor had they reported anything via the third-party company, Z. Our investigator agreed this outcome was fair in the circumstances.

X was unhappy with this, he felt he should receive significantly higher compensation in line with what his hourly rate is for work. He still felt Barclays had incorrectly applied a hard search to his credit file instead of a soft search for the debit card, so felt it would be visible to other creditors. And he still felt someone at Barclays had made an application in his name for the company Z.

As an informal agreement could not be reached, the complaint has been passed to me 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 uphold the complaint and think the £100 compensation offered by Barclays is fair in the circumstances. I'll explain why in more detail.

It's clear there was an error during the telephone call on 19 May. Barclays has admitted to this and explained the incorrect process was followed by the advisor and feedback has been given internally. X took the initiative to try the process again just over a week later, meaning there was a total delay of 8 days before the application was successfully processed. I understand that X being told there was an issue with his credit file caused him distress, considering that he was going through the process of applying for a mortgage at the same time. Considering this, and that X was also caused some inconvenience by having to chase the issue up and re-apply for the debit card, the £100 offered by Barclays is in line with what I would have recommended in the circumstances.

I appreciate X has said he should receive compensation in line with his hourly rate. But as X is bringing this complaint as an individual in his personal capacity, I don't think this would be fair. Instead, I've considered the inconvenience the matter has caused him when reaching an amount that I think is reasonable.

I've gone on to consider X's comments about incorrect information being recorded on his credit file. Firstly, X has said Barclays did a credit check on 24 May, and on the same day an identity verification entry is on his credit file which has been carried out by Z. X thinks Barclays has carried out the search under Z in order to show his credit file was poor when issuing him a final response letter rejecting his complaint. Barclays has said it has no connection to Z in any way and could not have carried out the identity verification check that appears on his credit file.

On balance, considering that Barclays has no ties or connection to Z, I think it's more likely they had no part in carrying out the identity verification check under their name. If X thinks this entry on his credit file is incorrect, he should contact Equifax and Z directly to discuss the matter. I note the entry does not appear on his Experian credit file.

I can see the consumer enquiry carried out by Barclays on 24 May also only appears on X's Equifax credit file, and not his Experian credit file. Barclays has said they did carry out checks in relation to the application on 27 May, however the consumer enquiry does appear before that point. I note this is a soft search and would not appear to other creditors if they carried out a credit check on X and that Barclays did make X aware it would have to share his data with credit referencing agencies to carry out related checks. It's not clear from the evidence provided if this search is related to the 27 May application, but ultimately, I have to consider that it has no adverse impact on X's credit score. So, I don't think it has a detrimental impact on X.

Finally, X has said his Experian credit report is showing Barclays carried out a 'hard search' on 27 May when he applied for the debit card but he thinks it should have been a 'soft search' instead. I've looked at X's more recent Experian credit file and can see the application type for the entry is listed as 'enquiry'. At the top of that section it gives a brief description of different searches. This says that enquiries are shown in X's copy of his report *'but are not seen by lenders and are not taken into account when making credit decisions'*. Because of this, the enquiry is a soft search, and would not be classed as a hard search. So,

I don't think Barclays have made an error.

In summary, there's clearly been an error made on 19 May where X's application for the debit card was declined, and this wasn't then approved for another eight days. This caused X stress and inconvenienced him, and I think the £100 offered is fair in the circumstances. Based on what I've seen, I don't think Barclays have made an error when sharing data with the credit referencing agencies about X, so I don't think it needs to do anything further in relation to that part of the complaint.

My final decision

I uphold X's complaint against Barclays Bank UK PLC.

I now instruct Barclays Bank UK PLC to pay X £100 compensation for the distress and inconvenience the matter has caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 24 November 2022.

Rebecca Norris

Ombudsman