

The complaint

Mr G complains that Barclays Bank UK PLC trading as Barclaycard (Barclaycard didn't support him.

What happened

Mr G had two credit cards from Barclaycard. The history of them is set out below:

Card	Limit/Balance: March 2020	Limit Reduction	Payment Holiday	Breathing Space Agreed	Other
Card A	£15,800 Balance £12,806	£14,550 (Oct 2020)	April 2020 to June 2020	30 day breathing space Aug 2020 – 0% interest	Card suspended Nov 2020
Card B	£17,650 Balance £10,764	£11,500 (Nov 2020)	April 2020 to June 2020	30 day breathing space Oct 2020 – 0% interest	Card suspended Jan 2021

Mr G was affected by the pandemic and asked for, and Barclaycard agreed, to payment holidays on both cards. Later, a one month 'breathing space' with no interest or fees charged was agreed on both cards. There were several missed payments on the cards and Barclaycard reduced the limits as shown; and then, later, suspended the cards.

Mr G complained. He said he didn't get any support from Barclaycard throughout the pandemic. He said they unfairly reduced the limits on his cards and blocked online access to his accounts. He said that Barclaycard added markers to his credit file which meant he couldn't get any credit. He wants the markers removed. He wants the interest rate on his cards to be reduced to zero or reduced. He also said there were problem in getting through to Barclaycard on the phone – so he couldn't easily talk to them.

Barclaycard apologised for the trouble Mr G had in contacting them; and paid compensation of £100, as well as giving him two months' interest free on both cards from their final response in November 2020. They didn't agree to reduce the interest rate on the cards, which remained at the published rate. They said that Mr G's Card A was suspended as it was in 'persistent debt'. The reductions in the limits were made because of the missed payments on the accounts. These had been notified to the credit reference agencies (CRAs) – as Barclaycard had to do that as part of their obligations to report accurate information. They gave him guidance on logging in online.

Mr G brought his complaint to us. Our investigator said Barclaycard had acted fairly. They'd given Mr G payment holidays on both cards in April 2020, and then further interest free periods later – for one month. The limit reductions were made because of the missed payments – and this was a commercial business decision that Barclaycard could take. They were also entitled to charge a commercial rate of interest on Mr G's cards. He noted that Mr G wouldn't agree to provide his income and expenditure details to Barclaycard – and therefore they couldn't work out if they could support him in the way he might want.

Mr G didn't agree and asked that an ombudsman look at 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.

Mr G was struggling because of the Covid-19 pandemic and he needed support. He says he didn't get it from Barclaycard in several ways. He says:

- They reduced his credit limits.
- They marked his credit file with missed payments which meant he couldn't get credit.
- He wanted the interest rate on the cards to be reduced or set to zero.
- Barclaycard blocked his online access to both card accounts.
- He couldn't get thought to Barclaycard to discuss his accounts.

The relevant guidance here is the pandemic support scheme which Barclaycard, along with other banks, put in place. In April 2020, The Financial Conduct Authority (FCA) announced guidance to lenders in response to the effects on customers of the COVID-19 pandemic. All lenders, including Barclaycard, had to put in place 'payment holidays' on many credit agreements, including credit cards – to help customers who were affected. Customers could ask for a total of two payment holidays each of three months – whereby payments could be suspended. Missed payments would not be reported to credit reference agencies, although interest would still be debited to the accounts. This support was provided by firms up to the end of October 2020.

The intention was to provide short term support – usually in cases where customers would be returning to work within a short period of time. And so – where a customer's situation was that they were in longer term difficulty, then payment holidays under this scheme weren't normally agreed.

So – I have looked at what happened in the light of this. It's important to note here that the FCA (Barclaycard's regulator) didn't say, for example, that banks must agree to reduced interest rates, nor should they change their lending criteria for customers as a result of the pandemic.

I can see that Mr G asked for, and got, payment holidays on both cards in April 2020. So – he didn't need to make any payments to the cards for the period of the holiday. And I can see from the statements that payments weren't asked for by Barclaycard, nor were they made by Mr G – in line with the agreed payment holidays.

At the end of the payment holidays – Mr G contacted Barclaycard to ask for an extension. I

can see he called Barclaycard on 11 June 2020, and Barclaycard agreed to call him back – which they did on 13 June 2020, but unfortunately there wasn't any response and they left a message for Mr G to call back. On 9 July 2020, Mr G called Barclaycard. But he wouldn't answer any questions about his circumstances – and he hung up.

I've thought about this. The payment holiday support had to be agreed by Barclaycard (and all banks) – as they needed to understand whether, for example, customers were going to be able to return to work at the end of the payment holiday period – in other words, if they would be able to manage the debt at that time and thereafter. If customers were in long term financial difficulty, then other forms of longer-term support might be considered. So, I can see why Barclaycard needed to ask questions about Mr G's income and expenditure. I can see that on another call – in October 2020 – Mr G again refused to give this information to Barclaycard. And so – as they didn't have that information, I don't think we could reasonably expect them to give another payment holiday, or any other type of support to Mr G.

Nevertheless, I can see that Barclaycard did give Mr G a period of one-month interest – free on both cards – in August 2020 (Card A) and October 2020 (card B). And again - in November 2020, they gave a further two-month period of interest free borrowing on both cards. Late payment fees were also waived. I note in Mr G's response to our investigator's view that he didn't consider this as much help – but a total interest free period of three months on a debt of approximately £25,000 was, I think, a significant benefit to Mr G.

Turning to the limit reductions on the cards. I can see that Mr G missed a number of payments on both cards, so that by October 2020 – he was two months in arrears on Card A, and by November 2020 – two months in arrears on Card B. So – it was reasonable that Barclaycard were concerned about whether Mr G's could repay the debts; and especially as they hadn't been able to understand his financial situation. If they had been able to do so, things may have been different, but that wasn't the case. Also - it's down to Barclaycard's own commercial decisions on how they set and agree to credit limits – it's not something we can generally interfere with. But given that they didn't have the information about Mr G that they needed, I can see why they reduced Mr G's limits.

Mr G says that Barclaycard advised the CRAs of the missed payments and that was unreasonable. But all banks, including Barclaycard, have an obligation to report accurate and information to the CRAs – and as Mr G had missed payments, they had to do that.

Turning to the matter of interest rates. The actual level of interest rates is a commercial decision for Barclaycard to take – they set the interest rates, and we don't interfere with that. But Mr G says he wanted his rates to be reduced to zero, or lowered. If he could have demonstrated that he was in financial difficulty – then Barclaycard, as part of their obligation to support customers in financial difficulty – may have considered a form of long term support for Mr G – possibly involving a payment plan with lower payments, and zero interest. But – as they couldn't get any information from Mr G, I think it was reasonable that Barclaycard didn't offer that to him. And - it's important to note that such a plan would have been advised to the CRAs – so I suspect that Mr G wouldn't have wanted that to happen.

Turning to the online access to Mr G's accounts, I looked at the log-on data and it looks like on Card B – he tried to log on on 2 October 2020 but entered incorrect information, and hadn't tried to log on since then. And on Card A – Barclaycard gave him guidance as to what to do in their final response in November 2020. But Mr G hadn't tried to log on since then. So – I think they acted fairly here.

I looked at Barclaycard's letters to Mr G. They sent ten letters to him between the end of the payment holiday and January 2021 – and all of them asked if they could help and asked him to get in touch to discuss his situation. So – they were trying to find a way to help. I accept

that Mr G says he couldn't get through to Barclaycard. I sense his frustrations. But all banks, including Barclaycard, were experiencing severe disruption due to the impact of Covid 19 at this time. The FCA also announced at the time of the pandemic that customers might well experience delays in getting through to banks. And to be fair to Barclaycard, they've apologised for that and paid compensation of £100 – I think that's reasonable. And, I've seen that on several occasions, Barclaycard did try to call Mr G about his situation, but without any success.

I can see from Mr G's correspondence with us that he feels strongly about his complaint and will therefore be disappointed by my decision – but I'm not going to ask Barclaycard to do anymore here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 23 June 2022.

Martin Lord
Ombudsman