

The complaint

Miss W complains that Barclays Bank UK PLC provided her with incorrect information about an outstanding debt she was unaware of.

What happened

Miss W received a letter from a third party saying she still had a debt of over £800 from her Barclays student account. Miss W thought she'd settled her debts a few years ago. When she'd called Barclays in 2019 to check her balances she was told they were all clear.

Miss W said she'd have taken action if she'd known something still existing. So she contacted our service and our investigator looked into the matter.

Our investigator could see Miss W previously had two accounts with Barclays. One, with a balance of around £120, had been cleared in August 2015. The other account had a balance of just under £900. And Barclays had sold the debt to a third party in December 2020.

Our investigator contacted Barclays, but it was unable to find any record of having received a call from Miss W during 2019. So he couldn't fairly say Miss W had been given wrong information by the bank. There was no evidence of it. And he couldn't uphold Miss W's complaint.

Miss W didn't agree with our investigator. She doesn't feel she should have to pay a debt she knew nothing about. So she's asked for an ombudsman's 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 can understand how upsetting this must be for Miss W. She thought she'd paid her outstanding debts and was surprised to receive a letter from a debt collection agency.

From what I've seen it appears the debt of just under £900 relates to an overdraft on Miss W's student account. As payments were no longer being made towards the debt Barclays sold the debt to a third party in 2020.

When a debt such as this goes into arrears it's not unusual for the bank to use a debt collection agency to chase for payment. Or it may decide to sell the debt to another business who will then try and collect it instead. And that's what appears to have happened here.

It's part of the normal debt collection process for debts to be sold or placed with another company after payments stop. And that's why Miss W has been contacted by the third party about the outstanding balance.

I can see Miss W has also raised a complaint about the company who dealt with her debt management plan. But this complaint is against Barclays. So I've looked to see if Barclays has done anything wrong it needs to put right.

But I've not seen anything to suggest Barclays was responsible for the payments towards the plan stopping. And I've not seen anything to show the debt has been paid off.

I realise Miss W is sure she spoke to Barclays sometime during 2019 and was told her account balances were clear. But Barclays has been unable to find any record of the call or a discussion with Miss W. And unless Miss W is able to provide any further information I can't fairly say Barclays was responsible for Miss W receiving incorrect information.

The evidence shows the debt still exists. And I've not seen anything to suggest Barclays has done anything wrong in passing on the debt for a third party to collect.

I realise Miss W will be disappointed with this outcome. And I recognise the shock she would've had if she thought her debts had been cleared. But I can't say Barclays has made any errors. And I won't be asking it to do anything more.

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 Miss W to accept or reject my decision before 30 April 2022.

Andrew Mason
Ombudsman