

The complaint

Miss H complains that Barclays Bank UK PLC trading as Barclaycard (“Barclays”) failed to update her address details, meaning she didn’t receive arrears and default notices resulting in a default being recorded on her credit file.

What happened

Miss H held two credit card accounts with Barclays. I’ll refer to them as account A and account B. Both accounts were subject to repayment plans requiring Miss H to make agreed repayments each month to each account.

In early 2019, Miss H changed address and provided the new details to Barclays. Miss H then changed address again in July 2019 and later provided these details to Barclays.

Miss H says she continued to make the agreed repayments to both accounts but “*somehow there were a few missed payments*”. Miss H says she didn’t realise this until it was too late, and Barclays had recorded a default on her credit file in respect of account B.

Miss H spoke to Barclays and discovered that while they’d updated her new address on account A, they hadn’t updated her address on account B. This meant Miss H hadn’t received any statements or letters from Barclays about the arrears and the default.

Miss H complained to Barclays as she thought they’d been negligent. Miss H said had she known about the situation; she would’ve paid the arrears avoiding the default.

Barclays didn’t agree they’d made a mistake in recording the default for account B as Miss H had failed to make the agreed payments after February 2021. They said they’d sent all appropriate letters and notices to her. When the arrears weren’t cleared, they recorded the default. However, Barclays agreed that while the default was correct, they hadn’t updated her address correctly so Miss H wouldn’t have received their letters in the post.

To resolve Miss H’s complaint, Barclays removed the late payment markers and default they’d recorded on her credit file. They offered Miss H compensation of £100 to acknowledge the upset and inconvenience caused.

Miss H didn’t accept Barclay’s offer and decided to refer her complaint to this service. She said she’d incurred additional costs and interest charges when arranging a mortgage to purchase a house. She thought Barclays’ mistake made them responsible for those additional costs. She didn’t think the compensation offered by Barclays was enough.

Having looked at all the information available, our investigator agreed Barclays had made a mistake when changing Miss H’s address and thought her complaint should be upheld. But our investigator didn’t think Barclays should increase their offer of compensation.

Miss H didn’t agree with our investigator’s findings. So, as an agreement couldn’t be reached, Miss H’s complaint has been passed to me to consider further.

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.

There are certain facts in this complaint that are not in dispute. Miss H did fail to make all the required payments to her credit card account(s). Barclays did fail to update Miss H's address details on both her accounts. What I need to decide here is whether Barclays made a mistake by recording the missed payments and a default on Miss H's credit file. In deciding that, it's important to acknowledge the default was only recorded in relation to account B. Account A was repaid in full, so no default was recorded for that one.

The Information Commissioner's Office (ICO) issue guidance and principles for the reporting of arrears, arrangements and defaults (PRAAD) at credit reference agencies. It says that as a general guide, *"a default may be recorded when you are three months in arrears, and normally by the time you are six months in arrears"*. From the information I've seen, it appears the arrears on Miss H's account met this requirement. So, it doesn't appear Barclays did anything wrong when they issued a default notice and recorded this on Miss H's credit file.

However, because Barclays hadn't correctly updated Miss H's address details, she didn't receive statements, notices and letters about the situation on account B. I accept that Barclays have a responsibility to send arrears notices and defaults to Miss H. The evidence shows they did that – unfortunately to the wrong address.

I've looked closely at Miss H's address history. She says she changed address in January 2019. But it appears she didn't tell Barclays for four months. When she did, Barclays updated account B but not account A. Miss H says she changed address again in August 2019. But it appears she didn't tell Barclays about this for almost 16 months. When she did, Barclays updated account A but not account B.

My initial observation is that Barclays should've updated all accounts held by Miss H as soon as they became aware of any change. Barclays agree they made a mistake here. However, I also think Miss H had a responsibility to ensure Barclays were informed promptly of any address change. And that doesn't appear to have happened here.

I've next considered whether Miss H should've reasonably been aware there were payment arrears on her account(s). I understand the payments were being made by standing order from a bank account held by Miss H. Barclays have provided evidence confirming the standing order payments to account B were returned unpaid on six occasions between November 2020 and July 2021. The standing order was then cancelled in August 2021. As these were originating from Miss H's own bank account, I think it's reasonable to expect her to have been aware the payments hadn't been completed as agreed.

Barclays confirm Miss H had opted to receive statements and other communications in both paper and paperless format. The latter means that copies of all documents were made available for Miss H to view using Barclays' online banking service or smart device application (app). Barclays say they email customers when something new is uploaded to this service. Miss H says she didn't receive those emails. But that doesn't mean the information wasn't available for her to view. Miss H could also obtain details of her account using Barclay's telephone banking service – something I'm aware she'd previously used.

So, having considered everything, while I agree Barclays made a mistake by not updating Miss H's address details, I also think Miss H had a responsibility to check her accounts (current and credit card) regularly. And I think she had alternative options and the ability to do that. Had she done so; I think this would've made her aware of the arrears situation.

In accepting their mistake, Barclays have removed late payment markers and the default from Miss H's credit file. And while it appears Barclays made no mistake recording them, this is a very fair outcome for Miss H.

Barclays have also offered Miss H compensation of £100. Compensation is a personal thing. What is seen as reasonable by one party may not be considered so by another. Miss H did fail to make agreed payments and the ICO guidance suggests a default should've been

recorded. I appreciate Miss H did experience some inconvenience. But I think the amount offered feels fair in all the circumstances here. I appreciate that Miss H doesn't agree. But it isn't the role of this service to make awards in order to penalise Barclays for their mistakes. Any award is considered based upon the impact Barclays's mistake had upon Miss H. And I think their offer does that here. So, while I will be upholding Miss H's complaint and endorsing Barclay's offer of compensation, I won't be asking them to do anything more.

My final decision

For the reasons set out above, I uphold Miss H's complaint.

I require Barclays Bank UK PLC trading as Barclaycard to pay compensation to Miss H of £100.

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

Dave Morgan
Ombudsman