

## The complaint

Miss W complains that Barclays Bank UK PL (Barclaycard) wouldn't give her a payment holiday and hassled her.

## What happened

Miss W had a Barclaycard. The limit was £8,500 between March 2020 and September 2020. The balance shown on the statement in September 2020 was £8,205 debit. Barclaycard agreed a three-month payment holiday for April 2020 to June 2020 – under the pandemic support scheme. During the payment holiday, Miss W made voluntary monthly payments of £40-£45. After the payment holiday ended on 30 June 2020, Miss W resumed monthly minimum payments of around £185. On 23 September 2020, Miss W asked Barclaycard for a further payment holiday. But Barclaycard didn't agree to that and offered a 'zero offer' instead. Miss W declined this. Between 24 September 2020 and 26 September 2020, Barclaycard called Miss W 45 times. In February 2021, Barclaycard agreed a further payment holiday for three months.

Miss W complained that Barclaycard wouldn't agree to a payment holiday on the same terms as before. She didn't want a scheme that affected her credit file. She works in the theatre/entertainment industry which was badly affected by the pandemic lockdowns and needed help. She said she'd been subjected to a humiliating interrogation, the threat of a default and 'third-party' involvement when she called Barclaycard; and then got a barrage of calls in the days after the call. She felt intimidated and upset – when she needed support. She said she felt that way particularly as she had always made the monthly payments to Barclaycard, even during the payment holiday between April 2020 and June 2020.

Barclaycard said they couldn't offer a payment holiday after assessing Miss W's income and expenditure. But they did offer an alternative plan. They said they called her in the way they did to try to ensure they were supporting customers during a difficult time.

Miss W brought her complaint to us. Our investigator thought Barclaycard acted reasonably. She said Barclaycard had to look into Miss W's income and expenditure to understand her financial situation. This they'd done and decided that a payment holiday wouldn't be suitable. Barclaycard did offer an alternative, but the call ended without a resolution. She said Barclaycard called Miss W afterwards to see if they could help and because Miss W had told them she was in difficulty.

Miss W didn't agree. She said she'd always stayed within her credit limit and kept up with the payments. The barrage of calls from Barclaycard – 15 in five minutes at one stage – amounted to harassment. This was particularly so during the pandemic in what was already a difficult and unprecedented situation for her and her industry. Miss W asked that an ombudsman look at her complaint.

*I reached a provisional decision where I said:*

Miss W had a payment holiday between April 2020 and June 2020 – this was in line with the pandemic support scheme, and it's helpful if I set out what that was.

In March 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 make available '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.

And so – this was the support that Miss W got between April 2020 and June 2020. She didn't need to make any payments. But I can see that she did – between £40 and £45 a month. After the payment holiday ended, Miss W resumed the normal monthly payments – at around £185 per month. But – the entertainment sector in which she worked was (as we know) badly affected by the pandemic - and she had zero income. So – she called Barclaycard on 23 September 2020 and asked for another payment holiday.

At this point it's important to say that lenders didn't have to agree to a payment holiday if they didn't think it was in a customer's best interest – for example, if there wasn't a realistic chance of them returning to work at the end of the three month period, or if there was a concern about their long term ability to repay.

I've listened to the call on 23 September 2020 – and Miss W said her monthly income was £1,200 (universal credit) and her outgoings were around £1,800 a month (rent plus utilities). And – she said it was unlikely that she would be able to return to work in the next three months. She said it was more likely to be another six months. And so – I can't say that Barclaycard's decision to decline Miss W's request for a payment holiday was wrong; because they couldn't foresee a reasonable time by when things would improve. I haven't looked at Barclaycard's decision to agree to a payment holiday later on, in February 2021 – as that's not part of Miss W's complaint – but I think it's probable that by that time, it was more likely that Miss W could say she could return to work after a further three months.

I've then gone on to consider how Barclaycard interacted with Miss W on the call on 23 September 2020 and in the subsequent days. It was clear on the call that Miss W was concerned about her situation – she had no income and no certainty of when that would change. But also – she had met all her commitments with Barclaycard, and she also told them she was up to date with her other debts. It was part of Barclaycard's process to go through an income and expenditure form with Miss W – so they could understand her financial situation and decide what was their recommended solution for her – I understand that.

But also – I have to say that I found the call handler showed little empathy with Miss W's situation; and didn't explain why she needed to complete the income and expenditure form, nor did she clearly describe what the options were for Miss W. If I can say - it was very mechanical. And when Barclaycard's system declined the request for a payment holiday – there wasn't any explanation of why that was, or what it meant for Miss W - other than "your expenditure is more than your income" – and the system had declined her request. The call handler then read out the terms of the 'zero offer' – which was to cancel the card; make a minimum payment of £180 after 60 days – or if not a default would be registered. The call handler said there was the possibility of the involvement of a third party (i.e. a debt collection agency). It was at that stage that Miss W became upset and said she didn't want to proceed with that option and ended the call. I think the call could've been handled in a more empathic manner – and if it had, a better outcome may have been reached.

Miss W has said that she was then subjected to harassment after the call. We asked Barclaycard for their call logs. It shows that they called Miss W 45 times between 24

September 2020 and 26 September 2020. This included 22 calls on 24 September 2020, the day after Miss W's call with Barclaycard. We asked Barclaycard about these calls – and they told us they made them because they were concerned about Miss W's well-being; because she was upset at the end of the call and she said she was in financial difficulty. So, I must balance Barclaycard's stated intention with what was clearly the effect on Miss W. And I have to say that I can't accept that the number of calls made by Barclaycard could be seen as helpful in the way they were intended – and I can see how distressing they must have been for Miss W in her situation. Barclaycard have told us they've considered what happened and have given feedback to the appropriate area of the bank. But - I cannot see how they were justified.

I also noted that Barclaycard's final response didn't explain why the payment holiday request was declined, or why the volume of calls took place – it would've been helpful if it had.

We asked Barclaycard whether any markers were added to Miss W's credit file (i.e. with credit reference agencies) at any time during the period in question – and they showed us that Miss W's account was not adversely affected. Her credit file is shown as 'OK' from October 2019 to December 2021 – the period we asked to see.

I can appreciate why Barclaycard took the decision they did – to decline Miss W's request for a payment holiday. But, on balance, the cumulative effect of the way that the call was handled, and the subsequent outbound calls - caused a lot of upset for Miss W. And for this reason, I don't think Barclaycard acted reasonably in the circumstances of Miss W's case. I can see that there was a significant amount of stress and inconvenience for Miss W – and I think that Barclaycard should pay compensation of £200.

#### Responses to the provisional decision:

Both Barclaycard and Miss W accepted my findings.

I now need to make 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.

As both Barclaycard and Miss W accepted my findings, I won't be departing from the provisional decision.

#### **My final decision**

My final decision is to uphold this complaint. Barclays Bank UK PLC trading as Barclaycard must :

- Pay Miss W £200 for stress and inconvenience. In responding to this final decision, Miss W should state how she wants this to be paid – to her Barclaycard account or her bank account. If the latter, please provide the details.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 16 June 2022.

Martin Lord  
**Ombudsman**