

## **The complaint**

Miss A complains Barclays Bank UK PLC trading as Barclaycard (Barclays) unfairly registered a default on her credit file.

## **What happened**

Miss A says in November 2020 she telephoned Barclays to inform them she was experiencing financial difficulties. Miss A says the agent from Barclays could not be heard properly because of background noise, but it was agreed in that telephone call she didn't need to make the December 2020 payment to her credit card account. Miss A says she made a payment which brought her credit card account up to date in January 2021 as agreed, but despite this Barclays defaulted her and registered a default on her credit file. Miss A says she didn't receive any communications from Barclays to say she needed to contact them prior to her making the payment in January 2021.

Miss A says she complained to Barclays and while it accepted the phone call was unclear, it only offered £50 by way of compensation and wouldn't agree to remove the default on her credit file. Miss A says the default has damaged her credit file and affected her ability to re-mortgage and obtain credit elsewhere. Miss A wants Barclaycard to remove the default from her credit file and doesn't feel the £50 compensation it offered, goes far enough.

Barclays says it was correct when it issued the default notice to Miss A when it did and offered to review her situation on receipt of a completed income and expenditure form. Barclays says it accepts the phone call in November 2020 could have been better dealt with and have offered Miss A £50 by way of compensation for that. Barclays says it acted appropriately when it issued the default notice to Miss A and registered this with the credit reference agencies. Barclays says Miss A hadn't contacted them to discuss matters as it asked, and despite her making a payment to her credit card account it had acted fairly here.

Miss A wasn't happy with Barclays response and referred the matter to this service.

The investigator looked at all the available information and upheld Miss A's complaint. The investigator says while Barclays acted correctly when it issued the default notice in November 2020, given Miss A had made a payment to her credit card account in good time, it acted unfairly when it registered the default with the credit reference agencies. The investigator felt Miss A would have continued to pay her minimum monthly payments had she not been defaulted. The investigator asked Barclays to remove the default from Miss A's credit file and pay her the £50 it had offered, for the poor service she had received during the telephone call made in November 2020.

Barclays accepted the investigator's view, but Miss A didn't agree and asked for the matter to be referred to an ombudsman 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 Miss A's complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting for Miss A to learn her credit file had been marked with a default, despite the fact she had made a payment to her credit card account, as she had agreed with Barclays.

When looking at this complaint I will consider if Barclays acted fairly when it registered the default on Miss A's credit file when it did and if compensation is warranted here.

The first thing to say is this happened at the time of the Covid pandemic which affected both customers and businesses alike.

Miss A's complaint centres around the fact when she telephoned Barclays in November 2020 explaining her difficult financial position, the member of staff was working from home with distracting background noises, making it hard to understand what was said.

Miss A says in that telephone call Barclays agreed with her that she could miss the December 2020 monthly payment and continue from January 2021, but no other support was offered to her. Miss A says she brought her credit card account up to date in mid-January 2021, with help from her family but despite this Barclays defaulted her and registered the default on her credit file because in part, she hadn't contacted them about her credit card account. Miss A says she did attempt to make payments to her credit card account, but Barclays were unable to tell her how to do this.

Barclays have accepted the phone call in November 2020 could have been handled better and offered Miss A £50 by way of an apology. It's worth saying here that businesses had needed to make changes to its operations during the Covid pandemic and many banks like Barclays would have had its staff taking telephone calls from home. So here it's understandable to some extent, that a normal telephony service wouldn't be in place and domestic background noises might have been heard on occasions.

Like the investigator, I can see that although Barclays issued a default notice and may have been entitled to do so given the previous arrears on Miss A's credit card account, where it has been at fault is Miss A did comply with that default notice, when she paid sufficient funds into her credit card account in January 2021, some two weeks before the expiry of the notice. While a copy of the telephone call in November 2020 isn't available, the file notes provided to this service show Miss A had explained she was in financial difficulty and although the notes aren't entirely clear, an agreement had been put in place at that time.

It's fair to say the sending of the default notice was poorly timed here, given an arrangement had been put in place. So, even though a covering note to the default notice had asked Miss A to contact Barclays, given she had already discussed this with them at the same time, it's not unreasonable to assume Miss A had thought there was no further action needed. I also take the view as Miss A had made her credit card account up to date, simply because she failed to telephone Barclays, that wasn't sufficient reason for it to go ahead and register the default on her credit file.

What is important here, is following the investigator's view, Barclays have agreed to remove the default on Miss A's credit file and not a notice of correction as she thinks, so with that in mind I am satisfied Barclays have put matters right here and as I would expect to see.

Miss A feels that Barclays should now pay her for the inconvenience and trouble she has

gone through as a result of the default being registered on her credit file, because she says it had financial implications for her. In particular she hasn't been able to re-mortgage her property or at a preferential interest rate.

So, I am left to consider if Barclays should now pay Miss A, a further compensation payment in addition to the £50 it has already offered for the poor service during the telephone call, in November 2020.

I understand the points Miss A raises here, but she hasn't been able to provide this service with any evidence to show the sole reason for her not being able to re-mortgage on favourable terms was due to the default on her credit file. In any event it's fair to say that lenders consider various other criteria before it sets its pricing or agreement to provide any funding.

Although Miss A feels she should be financially compensated here, it's worth saying that Barclays haven't charged her any interest on her credit card account since November 2020 and aren't looking to back date/charge this now. With that in mind and given Barclays have now agreed to remove the default against Miss A, I am satisfied that is sufficient redress here.

While Miss A may not agree, I am satisfied this is a fair outcome.

### **Putting things right**

I instruct Barclays Bank UK PLC trading as Barclaycard to remove the default registered on Miss A's credit file and pay her the £50 it offered for the poor service it provided.

### **My final decision**

My final decision is that I uphold this complaint.

I instruct Barclays Bank UK PLC trading as Barclaycard to remove the default registered on Miss A's credit file and pay her the £50 it offered for the poor service it provided.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 6 July 2022.

Barry White  
**Ombudsman**