

The complaint

Ms A complains about negative entries recorded on her credit file by Barclays Bank UK PLC trading as Barclaycard.

What happened

Ms A holds a credit card account with Barclaycard. She says she received paper statements until around August 2020, when she says that Barclaycard changed the statements to online versions without telling her. Ms A says that, as a result, she wasn't aware that there was a small balance outstanding on her account until Barclaycard wrote to her in around February 2021 demanding payment. Ms A says she paid the balance in full and thought that was the end of the matter.

But, in around March 2022, Ms A was refused credit and discovered that Barclaycard had recorded late payment markers on her credit file for the period from September 2020 to February 2021. She says that's why her credit application was declined.

She complained to Barclaycard and asked it to remove the adverse entries from her credit file. But Barclaycard said the late payment markers had been recorded correctly, so it couldn't remove them. It said it was clear from Ms A's monthly statements that there had been an outstanding balance on her account during that period. And it said that alerts had been sent to her each month telling her that the statements were available to view.

Ms A wasn't happy with Barclaycard's response and brought the complaint to this service. Our Investigator didn't think Barclaycard had acted unfairly, but Ms A didn't agree and asked for the complaint to be reviewed by an Ombudsman.

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've looked at the statements of Ms A's account. The balance on the July 2020 statement was due for payment by 14 August 2020. Ms A made the payment on 17 August 2020, so Barclaycard applied interest and a late payment fee to the account. This meant there was an outstanding balance on the August 2020 statement, which was due for payment by 14 September 2020. I'm satisfied that the late payment charge and interest were applied in line with the terms and conditions of Ms A's account, which she agreed to when opening it.

As Ms A didn't make any payments to the account after 17 August 2020 until February 2021, the balance remained outstanding over this period, with interest accruing each month. I find that to be reasonable and in line with the terms and conditions.

But Ms A says she didn't know there was an outstanding balance as she didn't receive any statements during that time. I don't doubt that Ms A didn't see the statements during that period. But I'm satisfied that they were produced by Barclaycard.

Ms A says that Barclaycard changed her statement preference from paper to online without telling her. Barclaycard says it has no record of having changed Ms A's statement preference. I haven't seen anything which conclusively explains why the statements were switched to online only. But I note that the statements contain a standard message which says that paper statements will be switched off when a customer first registers for online services. I think that may be what happened here.

Ms A says she has never had an online account with Barclaycard. But Barclaycard says she does have one. It has provided a screenshot from its system showing that there is an active online account related to Ms A's credit card. This shows that the last login date was in August 2020. From the evidence I've seen, I'm satisfied that Ms A did have an online account. I don't know when it was first set up, but if it was around July or August 2020, I find it likely that the registration was the reason the paper statements stopped.

Ms A says that the screenshot of the online account isn't proof that she was fully aware of her missed payments. I agree that it doesn't show she knew about the missed payments. But it does show that she was registered for online services. So I'm satisfied that she had access to the statements online.

The terms and conditions of Ms A's account say that Barclaycard will tell Ms A when her statement is ready to view and that it will use her most recent contact details to do this. Barclaycard says it sent text messages to Ms A to tell her when the statements were ready. But Ms A says that Barclaycard hasn't proved it sent them and she has queried whether text messages were a suitable form of communication. I'm satisfied that Barclaycard held the correct mobile telephone number for Ms A. It has provided screenshots from its system which show the dates and times of text messages sent to her from July 2020 onwards confirming that her new monthly statement was available. I'm satisfied that the text messages were sent. So I find that Barclaycard told Ms A that her statements were ready to view. I think text messages were a reasonable way to communicate this.

Ms A asked in her initial complaint email who, in a world of fraud and scams, would respond to a text message suggesting she access her online account when she didn't have one. As I have said above, I find that she did have an online account. But, if she didn't think she had one or suspected the text messages were a scam, she could have contacted Barclaycard to find out and check whether the messages were genuine. As she had stopped receiving paper statements at around the same time, I think it's reasonable to suggest that the text messages could have prompted her to contact Barclaycard or try logging in.

I don't doubt that Ms A didn't access the statements. But I find that Barclaycard made them available to her and communicated to her that they were available. The statements contained all the necessary information and notices for Ms A to be fully aware of the status of her account, including details of the overdue payments. But, even without accessing the statements, I think Ms A could reasonably have known that there would be something to pay on the account, as she knew she had made the August payment late. So I don't think it was Barclaycard's fault that Ms A didn't know about the outstanding balance.

As no payments were made to the account between September 2020 and February 2021, I think it was reasonable for Barclaycard to report missed payments to the Credit Reference Agencies. I haven't found it to be Barclaycard's fault that the payments were missed, so I can't fairly ask it to amend the entries on Ms A's credit file.

I know Ms A feels strongly about this complaint so I'm aware that she will be disappointed by my decision. But, taking everything into account, I don't think Barclaycard acted unfairly here, so I'm not going to ask it to do anything.

My final decision

For the reasons above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 15 December 2022.

Katy Kidd
Ombudsman