

The complaint

Mrs C complains that Barclays Bank UK PLC (Barclays) wrote to her about a loan that wasn't hers.

What happened

Mrs C didn't have a loan from Barclays, but she received letters from Barclays' debt collection agency. There were approximately nine letters sent to her address between December 2020 and December 2021.

Mrs C complained. She said she hadn't ever had a loan from Barclays (or indeed from any other bank). But letters from Barclays' debt collection agency (DCA) had been sent to her address – to a person with the same surname, but a slightly different given name. They had nothing to do with her. She had to contact Barclays several times to get this sorted out. And even after she had done that, the DCA continued to send letters. She said her credit rating had been affected. She said she had suffered a lot of stress and inconvenience, and it affected her mental health, especially in the period of the pandemic. She said Barclays should suffer a financial penalty for what happened.

Barclays apologised. They accepted the loan was not Mrs C's, and the letters shouldn't have been sent. They offered compensation of £150.

Mrs C didn't accept this and brought her complaint to us. She said it wasn't about the amount of compensation, but rather she would like a gift – and wanted a 'bean to cup' coffee machine with an approximate cost of £1,000.

Our investigator said that while Barclays had offered compensation of £150, he thought they should pay £300 – because the issues had gone on for too long, and Barclays should've put things right when Mrs C first contacted them. He said it was unlikely that Mrs C's credit rating had been affected – as the names on the loan and letters were slightly different to Mrs C. But Barclays had offered to look at this if Mrs C came forward with evidence that this had happened.

Barclays accepted our investigator's view, but Mrs C didn't. She asked that an ombudsman look at her complaint.

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.

Let me say – we are an informal dispute resolution service which seeks to come to fair decisions where there is a complaint from a consumer about a financial business. We don't take sides. And I've looked at all the evidence here in coming to a decision. Nor are we the regulator of Barclays – that's the role of the FCA. So, on Mrs C's point about a financial penalty – that is not something that falls within our responsibility.

I can appreciate how worrying and stressful this must have been for Mrs C – the loan wasn't hers. And I can see that at least nine letters were sent to her address between December 2020 and December 2021 – albeit to someone with the same surname but a slightly different given name. I can see and appreciate that matters were made worse by the fact that Mrs C contacted Barclays on several occasions and Barclays said they would stop the letters – but didn't.

Barclays have accepted their error, apologised, and agreed to pay £300 compensation – following our investigator's view. But Mrs C wants a coffee machine instead – with a value of around £700 to £1,000.

In thinking about the level of compensation here, our service has set out criteria for deciding the right level of award. We say an award of up to £300 might be suitable where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out. I think it's fair to say that what happened here falls into this definition – especially as things went on for a long period of time.

It's not within our process to provide a coffee machine to Mrs C, nor can we ask Barclays to do so – we only specify monetary awards. So, I'm afraid this isn't something we can do – but I hope that the award of £300 will help Mrs C buy the machine she wants.

Mrs C has said her credit rating has been affected. Barclays have offered to address this if she sends them a copy of her credit file showing the impact. I think that's a reasonable offer from Barclays.

My final decision

I uphold this complaint. Barclays Bank UK PLC must:

- Pay compensation of £300 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 31 December 2022. If Mrs C accepts, she should provide her bank account details for the compensation to be paid to her.

Martin Lord
Ombudsman