

The complaint

Mr S complains that Barclays Bank UK PLC trading as Barclaycard did not honour an agreement to accept a reduced payment in settlement of the outstanding debt on his credit card accounts.

What happened

The details of this complaint as well known to both parties and the key facts are not in dispute, so I won't repeat them in full here. The key facts are:

- Mr S held three credit card accounts with Barclays.
- Mr S' representative asked Barclays to accept a reduced payment in settlement of the outstanding balances of the credit card accounts.
- During a phone call in February 2021 Barclays told Mr S' representative that it would accept that offer.
- Mr S' representative then wrote to Barclays to ask it to confirm it would accept the amounts Mr S was offering as settlement for each account.
- In May 2021 Barclays confirmed it had been wrong to tell Mr S' representative it would accept the offer - it said that the offer was too low.

Barclays has offered £150 to Mr S to recognise the distress and inconvenience caused to him by the incorrect information he was given, but Mr S and his representative do not feel this goes far enough. Mr S' representative maintains that Barclays should honour what it agreed to in February 2021.

One of our investigators looked into what had happened here, and they agreed that Barclays had given Mr S incorrect information about accepting his offer, and considered that Barclays should increase the payment for distress and inconvenience to £300. But they didn't consider it would be fair to ask Barclays to accept the repayment offer Mr S' representative had made.

Mr S' representative disagreed with the investigator; he still feels that Barclays should be obliged to accept the offer of repayment. As no agreement could be reached, this complaint has been passed to me for a 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.

Although I have only summarised the findings and arguments above, I would like to reassure both parties that I have read and considered everything provided. Having done so, I agree with the conclusions reached by the investigator.

Mr S' representative was told by Barclays in a phone call on 11 February 2021 that Barclays was willing to accept Mr S' offer to repay a reduced sum in full and final settlement of his outstanding credit card account balances. Barclays notes show that this was incorrect; the offer had been marked as 'declined' on 14 January 2021 as it was too low given the level of debt. I appreciate that Mr S' representative has some concerns about the accuracy of this note, but there is a further note from 30 January 2021 where Barclays spoke with Mr S' representative about the offer being declined, this was also the conversation where Mr S' representative stated he would be resending the income and expenditure information. And Mr S' representative has referred to this conversation in his submissions. So given that it's clear the 30 January 2021 note reflects what both parties say was discussed at that time, and this note supports the record on 14 January 2021 that the offer had been declined, I see no reason to doubt that the notes Barclays has sent us are an accurate reflection of what was on record when Mr S' representative spoke with Barclays in February 2021. So it's clear to me that the staff member Mr S' representative spoke to gave him incorrect information, namely - he should not have been told that the settlement offer had been accepted.

But from listening to this conversation between Mr S' representative and Barclays it's also clear to me that there was at least some reticence on Mr S' representative's part about whether Barclays acceptance of the offer could be relied on. As a result, he said he would write to Barclays setting out the offer in full and wait for Barclays to respond in writing to say the offer had been accepted before taking any further action. This is what Mr S' representative then did, and as he did not receive any written confirmation that the offer had been accepted, no payment was made to settle the debt.

It then took several months for Barclays to properly explain its mistake to Mr S I can see that it wasn't until May 2021 that Barclays fully explained what had happened and set out what Mr S' next steps could be. And I appreciate that first the delay and then the disappointing answer that the offer had not been accepted would have caused Mr S distress and inconvenience at an already difficult time.

But where a business has given incorrect or misleading information I would generally look to compensate the affected party for the loss of expectation, i.e. for the distress and inconvenience caused by being told the wrong thing. I would not generally find that a business should be required to honour something it said in error. I understand that Mr S' representative feels there is a legal obligation on Barclays to honour what it said in February 2021, and I've thought carefully about this, but in the individual circumstances of this complaint I'm satisfied that it would not be fair and reasonable to require Barclays to accept the settlement offer.

And Barclays has also set out what it would need to see if it was to reconsider accepting the offer Mr S has put forward, and suspended interest on his accounts to ensure his debt didn't increase. So even though Barclays has rejected the offer of partial settlement at this stage I'm still satisfied that it has offered appropriate suggestions for a way forward in light of Mr S' financial difficulties.

I also acknowledge the additional points Mr S' representative has raised about how the complaint was handled overall. In particular that Barclays wrote directly to Mr S rather than to his representative, that the call recording sent to Mr S was difficult to access, and that Barclays did not explain that there was a deadline for referring the complaint to our service until very near the expiry of the deadline. But I'm satisfied Barclays didn't act inappropriately regarding these issues. It's clear that Mr S representative was kept in the loop, either by Mr S himself or directly by Barclays, throughout the complaint. Banks are required to be careful with personal data – such as call recordings – so I would expect this to have been encrypted, and Mr S and his representative were able to access and listen to the call recording. And Barclays clearly explained the six-month time limit for referring a complaint to

our service in the final response letter it sent to Mr S in May 2021; its letter of 22 October 2021 was simply reiterating the deadline it had already explained.

Overall, I do agree that Mr S has been caused distress and inconvenience by the incorrect information he was given and by Barclays' delay in explaining its error, but I'm satisfied that the figure of £300 suggested by our investigator is fair and reasonable compensation in all the circumstances of this complaint.

Putting things right

Barclays should put things right by paying Mr S £300.

My final decision

I uphold this complaint. Barclays Bank UK PLC trading as Barclaycard should put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 7 December 2022.

Sophie Mitchell
Ombudsman