

## The complaint

Mr B complains that Barclays Bank UK PLC (“Barclays”) notified him of arrears on his mortgage account dating back several years that he was unaware of.

## What happened

Mr B says he received a notification telling him he owed £76.68 in arrears on his mortgage account and that Barclays would inform credit reference agencies. Mr B says he doesn’t know how the arrears were possible as he has always paid for all of his mortgage related accounts by direct debit and has never been in arrears as far as he knows.

Barclays has said that the arrears date back over 12 years and given the timescales involved it no longer has account records to confirm when the arrears occurred, but it said the funds were owed by Mr B and would need to be paid.

Our investigator looked into Mr B’s concerns and found that Mr B should have been made aware of the arrears sooner. He recommended Barclays compensate Mr B with £200 for the stress and inconvenience caused. Barclays agreed, but Mr B felt the award should be higher, so the complaint was referred to me for a decision. I issued a provisional decision on 11 October 2022. Here is an extract of what I said:

*“Barclays explained that its records don’t go back further than August 2012, and it thinks the arrears pre-date this. Although Barclays doesn’t have any records that explain what has happened, it has suggested Mr B may have missed a contractual monthly payment (“CMP”) one month, or that it is a result of technical arrears because Mr B’s direct debits are paying his CMPs one month in arrears, every month. It told Mr B to do a GDPR request for information and that if anything came to light that proved he didn’t owe anything it would reconsider.*

*I don’t think it was reasonable for Barclays to suggest Mr B make a GDPR request for information – it either has the records available for this complaint or it doesn’t. And without any record of where the arrears may have come from, it’s impossible to work out what happened. So, if Barclays can’t evidence where the arrears came from and have only just informed Mr B of them after many years, I don’t think it’s right to expect to him to pay it now. As Mr B is now aware he is making his CMP payments one month in arrears – he may wish to correct this to prevent any future problems.*

*Barclays also referred to a previous complaint from Mr B about something similar in 2014. Looking at the notes in relation to this, it appears Barclays had been applying fees since 2012 due to one of Mr B’s mortgage accounts having reached its end date and not being repaid in full by Mr B. At the time, Mr B said that the account should have had the same end date as his other mortgage accounts. It seems Barclays resolved the matter by bringing the end date in line with his other accounts and refunding all the fees it had charged. It also awarded some compensation to Mr B. There’s also a note, around the same time, to say that Mr B had missed one month’s payment, but it was clarified this had been paid the following month, so was not outstanding.*

*Considering the previous complaint about arrears was raised in 2014 and there was also confusion about one month's arrears around the same time, if £76.68 had been owed – I would have expected it to have come up as part of these discussions. The mortgage accounts will also have been reviewed several times over the years and I think Barclays has had more than enough opportunities to be aware of any arrears pre-dating August 2012. For example, every time the interest changed or when every annual statement was produced.*

*So, it should have informed Mr B sooner if he was in arrears and as I've said above – I think it would need to evidence when and where the arrears occurred if it expects him to pay it back now.*

*For these reasons, I don't think it's right for Barclays to have pursued Mr B for the funds. Looking at the mortgage transaction history, it appears Mr B has already made the payment. If he has, I think Barclays should refund it to him because Barclays has not been able to prove Mr B owes anything and Mr B has been denied the opportunity to pay it at an earlier date.*

*Mr B says Barclays called him every day except Sundays from 27 January 2022 to 30 April 2022 and he's provided evidence of his call records to support this. Mr B was also understandably concerned about any impact to his credit file, particularly as he says he intended to apply for lending soon after the problem arose. So, I think this situation will have caused Mr B quite significant stress and inconvenience over these months. Barclays has already agreed to offer Mr B £200 for the stress and inconvenience caused, but I think £300 would be a more appropriate amount".*

### **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.

Both Barclays and Mr B have accepted the findings of my provisional decision and no further information has been provided. So, I've reached the same outcome as my provisional decision and for the same reasons, which I've set out above.

Barclays should compensate Mr B for the stress and inconvenience caused to him as I've explained below.

### **Putting things right**

Barclays Bank UK PLC should:

- Refund Mr B £76.68 if he has already paid it.
- There should be no adverse information recorded on Mr B's credit file – although I note Barclays says there has not been any.
- Compensate Mr B with £300 for the stress and inconvenience caused.

### **My final decision**

For the reasons set out above, I uphold this complaint.

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

Hanna Johnson

**Ombudsman**