

The complaint

Mr G complains Barclays Bank UK PLC trading as Barclaycard registered a default incorrectly in relation to his credit card account.

What happened

Mr G had a credit card account with Barclays. In September 2021, Barclays registered a default.

Mr G was unhappy because he said he'd made multiple attempts to make payments but he couldn't do so because the service he received when calling Barclays was so poor. He was unhappy that the default had been applied and that interest had continued to be charged during this period as well.

In response to Mr G's complaints, Barclays said they would refund interest applied between June and August 2021 on the account and offered Mr G £50 in recognition of the poor service he received on the phone.

Mr G referred his complaint to our service. He said he was unhappy about the default registered in September 2021. He also told us about a default that had been registered in 2020 by Barclays on the same credit card account, which they later agreed to remove. An Investigator considered Mr G's complaint. He didn't think Barclays had done anything wrong because Mr G had failed to make a number of payments before registering the default.

Mr G didn't accept the Investigator's findings. He said he wanted us to look into what had happened previously where Barclays had incorrectly registered a default and agreed to remove it.

As Mr G didn't agree, the complaint's been passed to me.

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.

Mr G says the default occurred because Barclays prevented him from making payments. Mr G last made a payment to his credit card account on 31 March 2021. When Mr G missed his next payment, Barclays began contacting him to find out why – they wrote to him on 12 May 2021. Which is what I'd expect.

On 18 May 2021, I can see Mr G spoke to Barclays. He explained he'd recently started a new job and so couldn't pay. Barclays' notes say they applied a hold to the account at this time.

Barclays wrote to Mr G twice in June 2021. And Mr G spoke to Barclays by telephone on 9 June 2021. I've listened to this call. This call was interrupted a couple of times by a poor connection. But Mr G told the adviser that he had recently started a new job and that he

would pay what was needed to bring the account up to date by the end of the month. But, no payment was received in June.

On 1 July 2021, Mr G spoke to Barclays again on the phone. And I've listened to this call. During this conversation Mr G told the adviser he had been experiencing financial difficulty and he didn't think it was fair that interest was being applied to his account. He also said he would try to make some sort of payment by 20 July. No payments were made by this date either.

Barclays responded to Mr G's concerns about the interest. Initially they said interest had been applied in line with the terms and conditions of the account but later agreed to refund interest applied between June and August 2021. I think this is fair considering Mr G had told Barclays he was in financial difficulty during this period.

On 5 August 2021, Barclays issued a default notice to Mr G. This letter explained that if Mr G did not make a payment of about £85 by 5 September 2021, Barclays would register a default.

Mr G spoke to Barclays again on 7 August 2021. Again he told Barclays, he couldn't make a payment until later in the month. Barclays notes say they suspended interest at this time and they wrote to Mr G to confirm they'd done so. But, again no payment was received in August.

Mr G told us he would usually access his statements and make payments online. But says between May and September 2021, he was phoning Barclays regularly to find out how he needed to pay and what he needed to pay to sort things out. It's not clear why Mr G didn't make payments to his account via the app in his usual way. And I think it was clear enough from the letters Barclays sent what Mr G needed to do. All the letters asking Mr G to make a payment included information on how to make a payment in a variety of ways including by phone, via the app, direct debit or debit card, standing order or in a branch.

While I agree the line was poor on the call in June 2021 and it may have been poor on other occasions Mr G called the bank, I don't think this prevented Mr G making a payment. And I think the £50 Barclays has already offered is fair and reasonable in recognition of inconvenience the interrupted calls caused Mr G.

Mr G spoke to Barclays again on 8 September. During this call, although the expiry date of the default notice had passed, Mr G asked how much he needed to pay to avoid the default he was told what he'd need to pay and that he'd need to do it that day to avoid the default. Despite saying earlier in the same call he had the money to clear the balance, Mr G responded to this information by saying he again wouldn't be able to make any payment until the end of the month.

Since our Investigator's view, Mr G has told us if he previously mentioned he was in financial difficulty – he didn't mean to. And that he could have cleared the balance – it was Barclays that prevented him from doing so. But having listened to the calls and reviewed the notes, he clearly told Barclays he couldn't make a payment until the end of the month on several occasions. And then, when the end of the month came, Mr G hadn't made a payment. So, on balance, it seems unlikely Mr G was in a position to pay what was required in order to avoid the default being registered.

I'm aware that Barclays registered a default in relation to the same credit card account in September 2020, which they agreed to remove in November 2020. We've previously explained to Mr G, we can't consider the first default as that matter was referred to us outside of the timescales allowed under our rules. But I have taken it into account in so far

as it is the background to the events of this complaint. Having done so, I don't think the fact Barclays agreed to remove the first default means they've incorrectly registered the second default. And as I've explained above, I'm satisfied the default has been applied correctly in 2021.

As I'm satisfied the default has been applied correctly, I'm not going to require Barclays to remove it.

My final decision

Barclays Bank UK PLC trading as Barclaycard has already made an offer of £50 and to refund three months' interest to settle the complaint and I think this is fair and reasonable in all the circumstances.

So my decision is Barclays Bank UK PLC trading as Barclaycard should pay Mr G £50 and refund interest applied between June and August 2021 on his credit card account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 22 December 2022.

Eleanor Rippengale
Ombudsman