

The complaint

Mr E complains that Barclays Bank UK PLC ('Barclays') wrongly registered a default in relation to his bank account without giving him proper notice.

What happened

Mr E held a bank account with Barclays. This account did not provide an agreed overdraft facility. On 7 April 2021, the account showed as overdrawn by £123. On 13 May 2021, it was overdrawn by £303. Between 3 June 2021 and 2 September 2021, payments totalling £27 were made, leaving the account £273 overdrawn.

Barclays says that it wrote to Mr E about his account being overdrawn on 7 May 2021, 10 May 2021, 24 May 2021, 10 June 2021, and 18 June 2021. It says that it wrote to him on 10 July 2021 giving him notice that his account could be closed as a result of it being overdrawn. It says that it wrote again on 9 September 2021, telling Mr E that his account would be closed on 9 October 2021 and that he must repay the outstanding sum immediately. On 13 October 2021, Mr E paid the outstanding sum of £276 into his account, which was then closed by the bank.

Mr E says that he did not receive the correspondence in relation to his account and that he was not aware of the fact that it was overdrawn. He says that he could afford to repay the money, and that the default should be removed in all of the circumstances.

Our investigator thought that the bank had fairly and followed its processes by writing to Mr E as it had. They thought that the default was properly registered in the circumstances.

Mr E did not agree and so this has come to me for a final 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.

I am able to make a decision in relation to complaints which have been raised with the bank where they have provided a final response or else failed to respond. As has been made clear to Mr E, the complaint upon which I can decide here relates to the process followed before a default was registered, and not to the reasons for the account going overdrawn.

Barclays has provided copies of the letters that it says it sent to Mr E on each of the dates given above. I can see that each of them is addressed correctly, using the address that Mr E has provided to this service and which Barclays held for him at the time of sending. Given the standard nature of such letters, I am satisfied that it is more likely than not the case that each of these letters was sent to Mr E. While Mr E tells me that he did not receive the letter of 9 September 2021 in particular, I am satisfied that it was properly sent. The bank cannot control whether it was received or read.

The account statements also show that the account was overdrawn. The letters which were sent made this clear, and set out- with increasing urgency- the steps which the bank could take in response. Mr E was also using his account over the relevant periods, and the information in these letters would also have been supported by the position of the account on his statements, or online.

The letter of 10 July 2021 made clear that the issue was now critical, and gave him notice that it intended to close his account. The terms and conditions of the account allowed Barclays to close his account, and required that the bank give him two months' notice in writing. The letter of 9 September 2021 terminated the account with effect from 9 October 2021 and demanded repayment of the sum outstanding. While Mr E says that he did not receive this letter, it is plain that he came to know how much was outstanding by some means, as he later repaid it in full – albeit after the date that Barclays stated it would be closing his account by.

While the sum was repaid, it was not suggested by Barclays that doing so would keep the account open. Given the fact that the account had been overdrawn since May, I am satisfied that it was not unfair for the bank to stand by its decision to close it, and that it had given him more than two months' notice of its intention to do so.

The relevant guidance in relation to the registration of defaults says that it will generally occur after three months of missed payments. This account was in an unauthorised overdraft for over four months. Mr E says that the default is unfair, as he was well able to make the repayment demanded. But he did not make payments in good time in order to keep his account from going overdrawn. Barclays had taken all reasonable steps to bring this to his attention, and its reasonable deadlines passed. As part of its duties as a responsible lender, Barclays is required to register accurate and up to date information with the credit reference agencies. I am satisfied that registering a default in these circumstances was both fair and reasonable.

In the circumstances, I am satisfied that the bank acted fairly and reasonably. I am not going to ask it to do anything further.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 5 April 2023.

Marc Kelly

Ombudsman