

The complaint

Mr D complains that Barclays Bank UK PLC trading as Barclaycard applied a default on his credit card account after telling him it wouldn't do so as the account was on hold.

What happened

In March 2022, Barclaycard wrote to Mr D giving notice that it intended to record a default on his credit card account. Mr D called Barclaycard in mid-April and an adviser told him Barclaycard wouldn't register a default on his credit card account if it was on hold. Barclaycard then registered a default on the account later the same month. Mr D complained and Barclaycard explained why the default had been applied and apologised that the information provided to Mr D in the telephone call was incorrect. Barclaycard told Mr D that the adviser who'd provided the information had received feedback and offered Mr D £50 for the error.

Shortly after Barclaycard responded, Mr D brought his complaint to the Financial Ombudsman Service. Barclaycard then issued a further response to Mr D's complaint and offered £150 for the distress and inconvenience the error had caused him.

One of our Investigators looked into things and thought that it was reasonable for Barclaycard to register the default but thought the apology and an offer of £50 wasn't a fair and reasonable remedy for the distress and inconvenience caused when the adviser provided the wrong information in the telephone call. The Investigator thought an apology and a payment of £150 was a fair and reasonable remedy to Mr D's complaint, but Mr D asked that an Ombudsman decides the 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.

I understand Mr D will be disappointed, but for very much the same reasons as the Investigator I've decided that Barclaycard should pay Mr D £150. I will now explain why and address the relevant comments Mr D provided.

Barclaycard issued a notice of default to Mr D in March explaining that as he'd missed several payments it intended to register a default on the account. This notice included details about what would happen next and provided Mr D with several contact numbers to make use of if necessary. It also explained the default would be registered in 28 days if Mr D didn't catch-up on his repayments. The letter explained Barclaycard was aware of Mr D's circumstances and wasn't expecting him to make a payment. The default notice said Barclaycard wouldn't charge any interest or fees until further notice, and that it wouldn't expect Mr D to keep in touch. Mr D did contact Barclaycard by telephone after the notice of default had been issued, and there's no dispute an adviser told Mr D it wouldn't apply a default to the account if it was on hold.

Mr D had missed several payments to the account, so I'm satisfied that Barclaycard acted

reasonably in issuing the notice of default and in registering the default. Barclaycard has an obligation to record defaults and other credit information on an account and I'm satisfied it followed the correct process to do so. Although Barclaycard made a mistake in telling Mr D on the telephone it wouldn't register a default, I don't think this is a compelling reason why the default should be removed as Barclaycard followed the correct process and it accurately reflected payments hadn't been received to the account.

Mr D referred me to other telephone calls from May and December 2021 and I can confirm I've listened to the calls in December. In these calls Mr D says he spoke with Barclaycard about his credit card and was also told there would be no default registered even if he didn't make a payment. However, I don't consider telephone calls from 2021 are relevant to the complaint Mr D has made about the notice of default and the subsequent telephone conversation call in April 2022. This is because the letter Barclaycard sent to Mr D in March 2022 provided an explanation why a default notice was now likely to be registered. So, I'm satisfied Barclaycard updated Mr D with the action it intended to take and explained why it was taking action to register a default.

Mr D is upset that Barclaycard told him that it wouldn't apply a default to the account but then proceeded to register a default. In this case, Barclaycard accepted the adviser got this wrong, but I don't think the initial offer of £50 from Barclaycard fairly reflected the distress and inconvenience this caused Mr D. So, I've decided that a fair and reasonable remedy in the circumstances of this complaint is a payment of £150 as this takes into account Mr D's vulnerabilities at the time.

My final decision

I've decided to uphold the complaint and that Barclays Bank UK PLC trading as Barclaycard should pay Mr D £150 for the distress and inconvenience its actions caused Mr D.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 18 April 2023.

Paul Lawton
Ombudsman