

The complaint

Mr L is unhappy that Barclays Bank UK PLC recorded two missed payments on his credit file or with the service he received from Barclays surrounding a credit card that was no longer visible to him on Barclays' banking app.

What happened

Mr L had a Barclays credit account which was closed by Barclays a few years prior, but which had an outstanding balance to which Mr L was making ongoing monthly payments to clear. In April 2022, the credit card for the closed account disappeared from Barclays' online banking app, which meant that Mr L was unable to log into the account using the app. Mr L contacted Barclays about this, but Barclays staff couldn't explain why this case.

Mr L also noticed that when he input the sort-code and account number he'd been using to make payments to the closed credit account, the payee details no longer showed as Barclays but instead referred to a well-known retail brand. Because of this, Mr L cancelled his direct debit payments, only to later discover that Barclays reported two missed payments against him as a result. Mr L wasn't happy about this, especially as he'd contacted Barclays several times to try to understand and resolve the issue. So, he raised a complaint.

Barclays looked at Mr L's complaint. They didn't feel they'd acted unfairly in how they'd managed the situation and noted that the credit file reporting was correct because Mr L had himself cancelled the direct debit and not made alternative payments. Mr L wasn't satisfied with Barclays' response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They didn't feel that Barclays had acted unfairly in regard to reporting the payments that Mr L hadn't made. But they did recommend that Barclays pay £100 to Mr L as compensation for the trouble he'd incurred when trying to understand why he could no longer access the account via the online app. Mr L remained dissatisfied, so the matter was escalated to an ombudsman 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.

Having done so, I can understand why Mr L would have had concerns about the account, given the disappearance of the credit card from the banking app and his inability to log into the app as a result, as well as that Barclays appeared unable to explain what had happened when he first contacted them.

However, it was ultimately Mr L's choice to cancel the direct debit and to not make payments towards the account, and so I find it difficult to censure Barclays here for accurately reporting those missed payments to Mr L's credit file as they did. And I don't feel that the service issues that Mr L encountered justify his not making payments to the account such that Barclays should fairly or reasonably be instructed to amend the credit file reporting as it currently, and accurately, stands.

Mr L has explained that he could no longer log into the account online and that when he checked the sort-code and account number he'd been making payments to for this account, it no longer showed the payee as Barclays but rather showed the name of a well-known retailer. Mr L has also explained that his concerns were amplified because when he contacted Barclays, their staff couldn't explain what had happened and why he couldn't access the account.

In their response to Mr L's complaint, Barclays explained that the card that Mr L held for the closed credit account had expired, and that because the account was closed, it was their policy to not issue a replacement card. Barclays further explained that this was why the card disappeared from the banking app and why Mr L couldn't log into the banking app from that point onwards— because an active card was required to be able to log into the banking app.

I can appreciate that Mr L might not have been aware that the card for the closed account was due to expire, given that the account was closed and that Mr L's only actions towards the account was to make the monthly repayments. But as the account holder, I do feel that Mr L should have had an ongoing awareness of the balance remaining on the account and that monthly payments still needed to be made towards it, even during the time that he was trying to understand why his access to the account via the online app had been removed.

I also don't feel that Mr L's decision to cancel the direct debit that was set up to make monthly payments towards the account on the basis that the payee details referenced a retailer was a reasonable one. There are two main reasons for this. Firstly, the credit account was a Barclays account branded to that retailer, which I feel Mr L should have been aware of. And secondly, given that all previous payments made to that sort-code and account number had been received by Barclays, I feel that it stands to reason that any continuing payments made to those details would continue to be received by Barclays.

Indeed, had it been the case that Mr L had continued to make payments using the sort-code and account number that he previously had been using, but that for whatever reason those payments weren't received by Barclays, then I would almost certainly be instructing Barclays to amend their credit file reporting as Mr L would like here – because there would be clear evidence that Mr L had attempted to meet his obligation to make those payments.

But in this instance Mr L cancelled the direct debit and didn't make the two payments via an alternative channel. And so, I'm satisfied that Barclays have fairly and accurately reported those payments as being missed.

However, I agree with the recommendation put forwards by our investigator that Barclays should make a payment of £100 to Mr L as compensation for the service issues he encountered, including that Mr L made several attempts to resolve this issue via online chat but that Barclays staff were largely been unable to help him.

I had considered whether an increased compensation amount might be merited here. But it's notable that in one of the earlier online chats that Mr L engaged in, he was told by Barclays that he would need to call a specific telephone number to discuss his issue. As such, given that Mr L then engaged in several later online chats – having already been told that he needed to speak with Barclays on the telephone – I don't feel that Barclays should be held solely responsible for the further inconvenience and frustration that Mr L incurred on those online chats. And consequently, I'm satisfied that the £100 compensation as recommended by our investigator is a fair compensation amount here.

I realise this won't be the outcome Mr L was wanting, but while I will be upholding this complaint in his favour, I'll only be doing so in order to instruct Barclays to make the £100 compensation payment to him. I hope Mr L will understand, given all that I've explained, why

I've made the final decision here that I have.

Putting things right

Barclays must make a payment of £100 to Mr L.

My final decision

My final decision is that I uphold this complaint against Barclays Bank UK PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 22 March 2023.

Paul Cooper
Ombudsman