

## **The complaint**

Mr J is unhappy that Barclays Bank UK PLC (“Barclays”) recorded a default on his credit file for an account he believed was closed.

## **What happened**

Mr J held a bank account with Barclays which he stopped using around the start of 2019. When he stopped actively using the account his statements show an overdrawn balance of around £93. Although Mr J wasn’t using his account fees for the account’s rewards program continued to debit the account increasing Mr J’s overdrawn balance.

Mr J says he requested the account to be closed in October 2019. At that time Mr J’s statements show his account was £41.80 in debit.

Barclays say it wrote to Mr J on a number of occasions in 2020 regarding the outstanding balance of the account but had no response. Barclays internal records show it called Mr J in October 2020 to discuss this but as Mr J couldn’t talk it asked him to call it back.

Mr J didn’t call back and a termination notice for the account was sent to Mr J on 3 November 2020 giving him until 3 December 2020 to settle the account balance of £89.80. The termination notice explained that Barclays may sell his debt to a third party as well as registering details of the account with credit reference agencies.

As the balance wasn’t settled and remained outstanding Barclays closed the account on 4 December, defaulted the account and sold the debt to a third party.

On 16 April 2021 Barclays sent Mr J a letter regarding a rewards refund amounting to £71.34 he was due on the account. Mr J responded to this by providing Barclays with his account details for an account not held with Barclays.

In October 2021 a debt recovery agent contacted Mr J regarding the outstanding overdraft debt and Mr J complained to Barclays about this as he believed his account had closed.

Barclays didn’t uphold Mr J’s complaint so he brought his complaint to this service. One of our adjudicators looked into Mr J’s concerns and reached the conclusion that Barclays hadn’t done anything wrong and had treated Mr J fairly and so didn’t recommend the complaint be upheld.

Mr J disagreed, he says it’s because Barclays failed to action the closure of his account that direct debit’s failed and charges were added to it which resulted in the account going into unarranged overdraft. He would like the default and debt to be removed from his credit file.

So the complaint was passed 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 considered everything provided, I've decided not to uphold Mr J's complaint.

My role is to look at the problems Mr J has experienced and see if Barclays has done anything wrong. If it has, I would seek – if possible - to put Mr J back in the position he would've been in if the mistakes hadn't happened. And I may award modest compensation that I think is fair and reasonable.

Mr J is unhappy that Barclays failed to close his account when he says he requested this in October 2019 and that it was Barclays failure to do this that caused the overdrawn balance.

But I've seen nothing to show me that this request was ever made and Mr J's statements show that his account was overdrawn in early 2019 for around £93 and that in October it was still overdrawn when Mr J says he put the request in to close his account. So I can't say that it was any error on Barclays side that Mr J's account wasn't closed or that it was its failure to close the account that caused his account to become overdrawn.

Mr J says it was unfair for Barclays to register a default on his credit file when he believed his account was closed. So the question I have to ask is whether Barclays did anything wrong in defaulting Mr J's account or in the processes it followed when doing this - in particular, closing his account and registering a default when he didn't pay back the outstanding balance of his overdrawn account in the required time.

I'm in agreement with our adjudicator here, in that I don't think that Barclays acted unfairly when it closed Mr J's account and registered a default. As prior to this happening I can see that Barclays had tried to contact Mr J by both letter and phone regarding the arrears on the account and had no response or engagement from Mr J. So it issued the termination notice explaining what would happen if the account wasn't settled by 3 December 2020 and as the account wasn't settled it closed the account, registered a default and sold the debt to a debt collection agent.

And I don't think it makes a difference to the registering of the default whether Mr J believed the account was closed or not. The outstanding balance on his account was a debt due to Barclays and it was entitled to collect this. Mr J had been notified of the arrears on more than one occasion and took no action and as a result a default was recorded on Mr J's credit file. Barclays has a duty to make sure the information it reports on its customers affairs to the credit reference agencies it subscribes to is factually accurate and this is an accurate reflection about what happened.

So overall and having considered everything I don't think Barclays treated Mr J unfairly or unreasonably which means that I'm not upholding this complaint.

**My final decision**

For the reasons I've explained, I'm not upholding Mr J's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 20 April 2023.

Caroline Davies  
**Ombudsman**