

The complaint

Ms T complains that Barclays Bank UK PLC, trading as Barclaycard, incorrectly reported that she had credit card arrears to a credit reference agency.

What happened

Ms T told us that, whilst trying to apply for a mortgage, she noted some missed payments had been reported on her credit file for a Barclays account she didn't recognise. Barclays had marked the account as closed and settled in September 2016, but it still reported missed payments between February 2018 and July 2021. Ms T contacted Barclays and it stopped reporting missed payments. However, the incorrect entries between February 2018 and July 2021 remained on the credit file.

Ms T checked her credit file again in January 2022 and saw the incorrect information was still there. After some further correspondence between the parties, Barclays agreed to delete the disputed account from Ms T's credit file in its entirety. The credit report was updated at some point in or around March 2022 and the account in question was removed.

Ms T said that because of Barclays' incorrect reporting, she was blocked from accessing a mortgage for almost a year, and that she had been caused stress and upset in trying to resolve the issue. Ms T said she thought Barclays had acted maliciously and that she had been targeted because she had a "non-English" name.

In response, Barclays accepted that the account had been settled in full in September 2016 following a payment plan. Barclays said it had agreed to remove the account from the credit file in full in January 2022, which was earlier than the usual six years. It said it had not treated Ms T differently because of her name.

Our investigator looked at the complaint and thought it should be upheld. He said Barclays had reported incorrect information on Ms T's credit file and noted it had taken nine months and three credit reference agency disputes before the incorrect data was removed. Our investigator said Ms T had been inconvenienced and thought Barclays should pay £350 to compensate her for its mistakes. He didn't think Ms T had been treated differently because of her name.

Ms T did not accept our investigator's view. She said she had been locked out of high street mortgage rates because of the impact on her credit file and had to go to a specialist mortgage broker. She said she was charged mortgage broker fees of £2,194, rather than £394 she'd have paid if her credit file did not have incorrect information. She thought she should be paid £5,000 in compensation.

Our investigator looked again at the complaint. He didn't think the credit report was the reason Ms T couldn't get a mortgage in July 2021 and that the difficulties at that time were because of Ms T's deposit. He didn't think Barclays was responsible for the higher broker fees and his view remained that £350 was fair compensation.

Ms T did not accept our investigator's further view. She told him that she thought that Barclays had taken so long to remove the incorrect information from her file because it wanted to digitally defame her reputation.

The matter was then passed to me for a final decision. I asked our investigator to seek Barclays' comments on Ms T's allegation of digital defamation. Barclays said that whilst it

could not identify the precise reason for the credit file data showing incorrect information, none of its policies or processes are based on the perceived nationality of a person's name.

I issued a provisional decision in which I said I intended to uphold the complaint to the same extent as our investigator. I said:

“As our investigator said, Barclays reported information to a credit reference agency about Ms T's credit card account that was incorrect and inaccurate. Ms T highlighted the issue to Barclays in or around July 2021, and the inaccurate information was not removed from Ms T's credit file for around a further nine months. Barclays now accepts it made an error in this regard and so I have considered the impact of that error on Ms T.

I know Ms T feels that the root cause of Barclays reporting incorrect information to a credit reference agency was because she has what she describes as a “non-English” name. She also believes Barclays acted to digitally defame her.

It is not the role of this service to determine whether Ms T has been defamed – that would be a matter for a court to decide. The role of this service is to decide what's fair and reasonable in all the circumstances of the complaint. So, I have looked at whether Barclays treated Ms T unfairly or unreasonably in that regard.

As I said, Barclays accepts there was an error with the data it reported to the credit reference agency. But it appears to me most likely that the inaccurate reporting was an automated process with very little, if any, human interaction. I haven't seen anything to suggest that the mistake was caused by Barclays specifically ‘targeting’ Ms T because of her name. In addition to that, I haven't seen anything to suggest that Barclays' electronic systems were set up to treat people differently depending on their names. With all of this in mind, I can't say the cause of Barclays' mistake was that it had targeted Ms T because of her name.

Ms T told us that she was blocked from accessing a mortgage for almost a year, that she was locked out of competitive interest rates and incurred higher broker fees because of the mistake made by Barclays.

I've looked at whether Ms T was blocked from accessing a mortgage for almost a year. I haven't seen any documentary evidence of a refusal or a reduced mortgage offer, but I understand Ms T said she was not offered the mortgage she wanted in or around July 2021.

Our investigator obtained evidence from a mortgage broker Ms T had contacted for assistance in January 2022. The broker said that Ms T had only been offered mortgages with an 85% loan to value (‘LTV’), whereas Ms T was seeking a 95% LTV mortgage. Ms T did not agree with our investigator's conclusion that it was her lack of deposit that prevented her from getting a mortgage at this time. She said she had been told that her poor credit file would have stopped her from being offered a loan with a higher LTV.

I can see that Ms T genuinely and honestly believes that Barclays' mistakes did cause difficulties in obtaining a mortgage at that time. However, it is important for me to stress that the information Ms T can see on her credit file is not necessarily the same as that which would be seen by a potential lender.

I've seen a copy of correspondence Ms T had with a third-party agency that provided her with a multi-agency credit report. On 13 January 2022, the third-party agency appears to have informed Ms T that the calendar view of her credit report which showed the inaccurate missed and late payments reported by Barclays was only visible to her. The third-party agency reiterated that the disputed account would have shown as closed in 2016.

On that basis, if the calendar view showing missed and late payments was only visible to Ms T and the account closure date was showing as 2016, I can't say it is most likely that Barclays' mistake caused Ms T to be locked out of applying for a mortgage for almost a year.

In considering the information before me, I can't reasonably say a potential lender would have had sight of the calendar view showing the incorrectly reported missed and late payment.

I haven't been provided with any evidence to suggest that the lender Ms T applied to in or around July 2021 offered mortgages at that time with a higher LTV than 85%. I also note that there may have been a defaulted account with another financial business still showing on Ms T's credit file in around July 2021. With all of this in mind, I can't say Barclays' mistake was the reason why Ms T was not offered a mortgage with the LTV she was seeking in or around July 2021.

I've also looked at whether Barclays caused Ms T's later mortgage to be more expensive. I can see that our investigator obtained further evidence from Ms T's mortgage broker in which it was stated that she obtained a mortgage with a mainstream lender at a competitive interest rate. On that basis, I can't reasonably find that Barclays' mistake caused Ms T's mortgage to be more expensive or locked her out of competitive mainstream lending rates.

I've given some careful thought as to whether I can say Barclays caused Ms T to incur higher mortgage broker fees because of the inaccurate information it had reported. However, as I said above, I can't say it's most likely that potential lenders would have seen the incorrectly reported missed and late payments. And it appears Ms T was made aware of this in January 2022 before she incurred the higher fees.

I'm also aware that the incorrect information does not appear to have shown on Ms T's credit reports with all credit reference agencies. With all of these things in mind, whilst I accept that Ms T did pay higher broker fees, as things stand, I can't say such fees were caused by Barclays.

That said, I can see Ms T was put to some trouble and inconvenience in disputing the misreported information with the credit reference agency and the third-party agency. This dispute lasted for a number of months at what I understand was a difficult time for Ms T.

Barclays' mistake clearly caused Ms T some considerable upset. I am mindful that Barclays did eventually remove the entire [account] from Ms T's credit [file], which meant it was deleted earlier than the six years for which an account would usually be reported.

Our investigator thought Barclays should pay £350 to compensate Ms T for its mistake. I know Ms T thought she should be paid considerably more, but I agree with our investigator that £350 is a fair and reasonable amount in all the circumstances of this complaint."

Barclays did not provide any further information or evidence for me to consider. Ms T sent a detailed response. In summary, she said:

- Barclays had reported information to credit reference agencies about a credit card that did not exist;
- the credit card in question was closed in 2007, but false information about this card was reported on her credit files from 2016;
- the additional broker fees of £1,800 should be reimbursed to her and £350 was not sufficient compensation; and

- this service should advise her as to the next steps with regard to Barclays' breaches of the Data Protection Act.

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'm not persuaded to depart from my provisional findings. I'll explain why below.

First of all, I can see Ms T feels strongly that Barclays '*broke the law*' with regard to her data. She was seeking advice from this service as to how to progress such a matter. I need to make clear that this service is an independent and informal dispute resolution service. We do not act for either party to a complaint, nor do we advise either party. Similarly, it is not our role or even within our powers to enforce data protection laws. As I said in my provisional decision, it is our role to determine a fair and reasonable outcome in all the circumstances of a complaint. I can make an award for distress and inconvenience for any customer service failing in relation to Barclays' provision of information regarding Ms T. That is what I looked at in my provisional decision.

As to the issue of whether Ms T's credit card account existed, I understand she had a credit card account with a third-party business. Barclays acquired that third-party business in 2011. I've seen copies of Ms T's credit card statements and it appears to me that Barclays took over her account from that third party in November 2011. I appreciate Ms T may not agree, but I am satisfied that it's most likely the account with the third-party business ending 77 and the Barclays account ending 08 are effectively the same account.

With that being so, I cannot agree with Ms T that the account that Barclays incorrectly reported ceased to exist in 2007. It appears to me that the final payment towards this account was made in 2016.

I should make clear that when reporting to credit reference agencies, businesses do not report information about individual credit cards. Rather, information about the credit card *account* is reported. For example, I would not expect a business to set up a new account each time a new credit *card* is issued. I can see that Ms T told Barclays that her credit card with the third party business expired in 2007. But the account would still exist after a card itself has expired. A business may well issue a new credit card. I wouldn't expect an account to close because a card has expired, particularly where there is an outstanding balance.

I know Ms T disagreed with the level of compensation I said I intended to tell Barclays to pay, particularly with regard to the higher broker fees she says she incurred. I have thought carefully about what Ms T said in that regard. But for the reasons set out in my provisional decision, I am not persuaded that Barclays caused Ms T to incur these broker fees. I remain satisfied that requiring Barclays to pay £350 to Ms T is a fair way to settle this complaint.

Putting things right

I require Barclays to pay £350 to Ms T to compensate her for the mistakes identified above.

My final decision

I uphold this complaint to the extent set out above and require Barclays Bank UK PLC, trading as Barclaycard, to put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 18 April 2023.

Nicola Bowes
Ombudsman