

The complaint

Mr Y complains that Barclays Bank UK PLC trading as Barclaycard incorrectly set up repayment plans on his account, leading to incorrect entries on his credit file.

What happened

In summary, Mr Y said that Barclaycard incorrectly set up a repayment plan on his credit card account on multiple occasions. This caused issues with his credit file which Barclaycard said they had amended each time. However, a few months later while applying for a mortgage, Mr Y discovered a discrepancy on his credit file which he says affected his ability to get a mortgage.

Barclaycard apologised for the issues and initially offered £50, however Mr Y declined this. As a result, Barclaycard rescinded the offer. In the second final response letter they said they had credited £50 directly to his current account.

Mr Y referred the complaint to our service and our Investigator felt Barclaycard had done enough to remedy the complaint. As Mr Y disagreed the complaint was referred to me. I issued a provisional decision in which I said:

I'm currently minded to direct Barclaycard to pay an additional £100 compensation, bringing the total to £150. I wanted to share my thoughts to allow all parties to respond before issuing a final decision.

There does not seem to be a question Barclaycard has made an error when setting up both of the repayment plans. I can see a contact note on file that acknowledges a member of staff did not set up a standing order as they had been asked to which, at least, caused the issue the second time round. While I acknowledge Barclaycard were quick to fix this issue, it would have been distressing for Mr Y to discover this and that it had affected his credit file. And he had to deal with inconvenience both times of contacting Barclaycard to rectify the issue and arrange for a new repayment plan to be set up on each occasion.

Mr Y has provided a copy of his credit file from April 2022 which shows the incorrect entry after the two incidents described above. This shows Mr Y had a three-month late payment marker which should have appeared as a one-month late payment marker. And he's provided evidence of communications with a mortgage advisor in which this incorrect information was discussed and its removal was recommended.

It should be noted that as Mr Y did not continue with his mortgage application, it isn't possible to know if the incorrect information would have affected the application. And I see there was other genuine adverse information on Mr Y's credit file which could have affected an application. Because of this, I'm unable to consider any losses in connection with the mortgage. But I can consider that the process of applying for mortgages, even the information gathering stage, can be stressful. So, the incorrect information would have caused Mr Y additional stress during this time.

I can see that Barclaycard initially offered £50 in its first final response letter, but rescinded

this offer when Mr Y did not accept it. It is unclear why this was not paid directly to his current account with Barclays, which is what they did with the second offer of £50, or why they chose to rescind this offer at a later date. Having carefully considered the information available to me so far, I'm currently minded to direct Barclaycard to pay Mr Y an additional £100 compensation, which would bring the total paid to £150. I think this more accurately reflects the distress and inconvenience the situation as a whole has caused him.

Mr Y did not respond to my provisional decision with any additional points or evidence for me to consider.

Barclaycard responded and said that they had paid Mr Y an additional £50 in February 2021 as part of the complaint. They also disagreed that they had rescinded the £50 compensation offer in the first final response letter. They therefore asked if the £100 already paid was enough.

I explained that the £50 from February 2021 had not been mentioned before and my assessment had mainly focused on events after that point. As a result, I still felt an additional £100 was reasonable. And Barclaycard accepted this.

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.

As Mr Y did not respond with any additional points or evidence for me to consider, and Barclaycard agreed to my recommendation as set out above, I see no reason to deviate from my provisional findings and I uphold this complaint in part.

My final decision

I now instruct Barclays Bank UK PLC trading as Barclaycard to pay Mr Y an additional £100 compensation in recognition of the distress and inconvenience their actions caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Y to accept or reject my decision before 31 May 2023.

Rebecca Norris

Ombudsman