

## **The complaint**

Mrs P complains that Barclays Bank UK PLC trading as Barclaycard failed to collect a direct debit which led to interest being incurred on her credit card.

## **What happened**

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

*Mrs P has a Barclaycard and has explained that she clears the balance in full each month to avoid paying interest. Mrs P says that when Barclaycard send her a statement each month it gives a minimum payment that will be collected by direct debit on the due date quoted. Mrs P then makes a manual payment for the remaining balance.*

*On 9 August 2022 Barclaycard issued a statement that said the outstanding balance was £16,576.13 with a minimum payment of £621.60 due to be collected on 5 September 2022. Mrs P deducted the minimum payment from the outstanding balance and made a manual payment of £15,954.53, intending to clear it in full. But Barclaycard didn't claim the direct debit of Mrs P's minimum payment so an outstanding balance remained. And that meant the whole balance due in the 9 August 2022 became subject to interest.*

*Mrs P found the previous month's minimum payment hadn't been collected and that she owed £520.99 in associated interest when she received the September 2022 monthly statement. Mrs P has explained she quickly contacted Barclaycard and raised a complaint but received no contact and no response.*

*Despite chasing Barclaycard in October 2022, Mrs P says she wasn't advised a final response had been issued for some time.*

*Barclaycard says it tried to call Mrs P after she complained and issued a final response on 15 September 2022. Barclaycard's final response didn't accept errors had been made. The final response explained Barclaycard didn't collect the minimum payment by direct debit as Mrs P had made a manual payment that covered the amounts due earlier in the month.*

*An investigator at this service looked at Mrs P's complaint. They weren't persuaded Barclaycard had made errors or treated Mrs P unfairly. The investigator also explained that complaint handling, in its own right, isn't something the Financial Ombudsman Service is able to consider.*

*Mrs P asked to appeal and asked the investigator to clarify where Barclaycard had made the way it handles direct debits clear. Mrs P also said she hadn't received any contact from Barclaycard after she raised a complaint. As Mrs P asked to appeal, her complaint has been passed to me to make a decision.*

## **What I've provisionally 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.*

*Barclaycard's final response said that it starts the process of collecting a direct debit four to five days before it's due. And any payments made prior to that point would impact whether Barclaycard collected the direct debit. But Barclaycard has since provided evidence from its systems that shows the information it says Mrs P was given when setting up the original direct debit instruction. It says:*

*"If you make an extra payment, your Direct Debit will go down by that amount. That means if you clear your balance before we request your Direct Debit (that's three working days before your payment's due), we won't collect a Direct Debit for that month. However, if you make a payment within those three working days, we'll still take your Direct Debit and you'll end up paying twice."*

*Mrs P's payment was made on 31 August 2022, a Wednesday, and the direct debit for her minimum payment was due on 5 September 2022, the following Monday. The direct debit information quoted above says a payment Mrs P made within the three working days of the due date, 5 September 2022, wouldn't impact whether the direct debit would be collected or not. In fact, the guidance says any payments made within three working days of the due date would mean Mrs P could be charged twice. The 31 August 2022 was a Wednesday, 1 September 2022 was a Thursday and 2 September 2022 was a Friday. The following two days were not working days as they were a weekend. And the due date was Monday 5 September 2022.*

*My view is that Mrs P's 31 August 2022 payment was made within the three working day window before the due date that Barclaycard's direct debit guidance refers to.*

*Mrs P made her payment three working days before the due date and Barclaycard's direct debit guidance says in those circumstances the direct debit would still be collected. Given the information Barclaycard has provided, I'm not persuaded it was fair for it to not collect the direct debit on 5 September 2022. Ultimately, Mrs P was prepared to make payments to clear the full balance and avoid interest. The information I've seen so far indicates it was the way Barclaycard processed Mrs P's payments that caused the interest to become payable. I haven't been persuaded the interest incurred has been fairly charged by Barclaycard.*

*In my view, Barclaycard should refund the interest Mrs P was charged in her September 2022 statement. The credit card statements on file only go up to October 2022 so I can't see whether further interest has been incurred on the residual balance. If it has, I intend to tell Barclaycard to refund any associated or connected interest that was applied to Mrs P's credit card as well. In response to this provisional decision, Barclaycard should provide up to date credit card statements for Mrs P.*

*I can see Mrs P attempted to take steps to avoid being charged interest. And I can see Mrs P has been caused a reasonable level of trouble and upset by the way payments were collected in her case. It's clear Mrs P is very upset she has been charged interest despite making a payment that she thought would clear the outstanding balance. In reflection of this, I also intend to tell Barclaycard to pay Mrs P £100 for the distress and inconvenience caused.*

*Mrs P's told us she didn't receive any calls or contact from Barclaycard after she raised a complaint. Barclaycard has submitted systems evidence that shows it tried to call Mrs P to discuss her case. But I understand Mrs P has no record of these calls and that she didn't receive Barclaycard's posted final response either. I understand why Mrs P is upset. But as our investigator has said, the Financial Ombudsman Service can't consider every point or*

*complaint that's referred to us. And the rules we operate under don't allow us to consider issues directly relating to complaint handling in its own right. Here, the issues Mrs P has raised concerning how her complaint was handled standalone from the main complaint she's made. And that means we can't comment on the way Barclaycard dealt with Mrs P's complaint.*

*As I've noted above, based on the information I've seen so far I intend to tell Barclaycard to refund interest applied to Mrs P's credit card account in September 2022 and pay her £100 for the distress and inconvenience caused.*

I invited both parties to respond with any further comments they wanted to make before I made my final decision. Barclaycard confirmed it was willing to proceed in line with the provisional decision, although it didn't agree the direct debit information provided to Mrs P was unclear. Mrs P confirmed she was willing to proceed and awaited the 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.

As neither party has provided new information for me to consider, I see no reason to change the conclusions I reached in my provisional decision. I still think Mrs P's complaint should be upheld, for the same reasons.

### **My final decision**

My decision is that I uphold Mrs P's complaint and direct Barclays Bank UK PLC trading as Barclaycard to settle as follows:

- Refund the credit card interest charged in September 2022
- Pay Mrs P £100 for the distress and inconvenience caused

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 26 May 2023.

Marco Manente  
**Ombudsman**