

The complaint

Mr and Mrs S complain that Barclays Bank UK PLC has unfairly increased their overdraft limit to an unaffordable level.

What happened

Mr and Mrs S say that Barclays increased their overdraft level to an unaffordable level. They also say they told Barclays about their financial difficulties in 2021 but it continued to add charges and interest. Mr and Mrs S would like interest and charges refunded as well as interest added to that refunded amount.

Barclays says Mr and Mrs S contacted them in 2021 about financial difficulties and it suspended charges as well as interest for 30 days. It says Mr and Mrs S didn't update it with their position and so continued to make charges and apply interest. Barclays says it will, as a gesture of goodwill, refund all charges and interest from 2018 which amounts to £2,469 and deduct that amount from the balance owed by Mr and Mrs S.

Mr and Mrs S brought their complaint to us, and our investigator thought Barclays had made a fair and reasonable goodwill offer. The investigator thought the account was always likely to default as a token repayment offer was made.

Mr and Mrs S don't accept that view.

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 have come to the overall view that I don't uphold this complaint.

I have made clear to Mr and Mrs S previously that we can only consider events from March 2018. I'm satisfied that the overdraft facility hasn't increased since that time, and I can't comment on the affordability of the account itself.

I can see that Barclays tried to help Mr and Mrs S in 2021 when it was told about their financial difficulties. But I can also see that Mr and Mrs S didn't provide an update on their position as required and so I don't think Barclays made a mistake or acted unfairly by re-applying interest or charges.

In any event Barclays has offered to refund all interest and charges applied to Mr and Mrs S's account since March 2018 which amount to just under £2,500. It is not clear why they have rejected that offer or what else they think Barclays ought to do in these circumstances. I'm satisfied that there would still remain a balance on Mr and Mrs S's account which is their spending and not charges. And that the account would have defaulted. I can see that Barclays has also fairly agreed to backdate the default date to December 2021.

Overall, I'm satisfied that Barclays hasn't increased the overdraft since March 2018 and has applied charges or interest in line with agreed account terms and conditions. If Mr and Mrs S

wish to accept Barclays offer to refund interest and charges, then that would be in full and final settlement of this complaint and in the circumstances, they will need to contact Barclays about it.

I hope Mr and Mrs S understand why I can only consider events from March 2018 and that what Barclays is offering is what they say they wanted to happen in any event.

Putting things right

If Mr and Mrs S wish to accept Barclays offer, then they should contact it as it has confirmed the offer is still available.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S and Mr S to accept or reject my decision before 19 June 2023.

David Singh
Ombudsman