

## **The complaint**

Mr A complains that Barclays Bank UK PLC trading as Barclaycard cancelled the direct debit for his credit card account, which left him with missed payments recorded on his credit file. Following this, Barclaycard also took the decision to decrease Mr A's credit limit.

## **What happened**

In November 2022, Mr A made two small transactions with his credit card which totalled £6.96. Mr A expected his direct debit to automatically collect the balance on the account. However, after he received letters from Barclaycard requesting payment, he realised the direct debit hadn't collected. Non-payment of the amount due resulted in Barclaycard reporting two missed payments to the credit reference agencies.

Mr A says he spent about eight hours on the phone trying to sort the matter out. He says the service he received during the calls was poor. Mr A added that he tried to make a payment over the phone but was told to do this using the mobile app – and when he tried to make payment this way, he wasn't able to.

In addition to this, Barclaycard took the decision to reduce Mr A's credit limit – and he wants this reinstated.

Barclaycard responded to Mr A and upheld his complaint and paid him £100 for some of the service he received. It explained that the direct debit had been cancelled in accordance with the direct debit guarantee – because the direct debit hadn't been active for a long time. In any event, it agreed to remove the missed payments from his credit file. Barclaycard explained that it wouldn't look to reinstate his credit limit because this was a decision that had been made by its underwriters. Unhappy with Barclaycard's response, Mr A referred the matter to this service.

The Investigator considered what both parties had said and decided to uphold the complaint – stating that Barclaycard's payment of £100 hadn't fully reflected all aspects of Mr A's complaint and so they felt Barclaycard should pay Mr A a further £50. The Investigator also explained that they wouldn't be asking Barclaycard to reinstate his credit limit.

Mr A didn't agree with the Investigator. He said the direct debit had been cancelled by Barclaycard, and they didn't let him know about this, which is what caused him to miss payments, spend time on the phone sorting the matter out, and his credit limit reduced. Initially Mr A said he would accept an additional payment of £200. But after he attempted to have his credit limit increased again, which Barclaycard declined, he wanted an additional payment of £400 to settle the matter.

Barclaycard agreed to pay Mr A £150 (in total), but it didn't agree to increase the award to £200. Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

## **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 all of the evidence available to me, I will be upholding Mr A's complaint in part – for much of the same reasons to that of the Investigator.

Barclaycard have said that the direct debit instruction was cancelled in line with the Direct Debit Guarantee. The guarantee explains that a bank or building society must remove details of a direct debit instruction from its systems after a period of dormancy – the details must be on file for a minimum period of 24 months. And the purpose of this is to protect customers from a direct debit being live on an account indefinitely. Mr A's direct debit on this account last collected in November 2018. So, I can't fairly say that Barclaycard has done anything wrong in removing direct debit details from its systems in line with the guarantee.

I've asked Barclaycard for any of the correspondence it sent to Mr A about the direct debit being cancelled, but it hasn't provided me with this. Instead, it sent me a copy of its internal systems to show that it notified Mr A that he had missed payments. It would have been helpful if Barclaycard had let Mr A know that the direct debit had been cancelled and provided him with the opportunity to reset the direct debit should he have wanted to. This could have prevented the situation Mr A later found himself in when he missed repayments to the account. But given that Barclaycard has already agreed to remove the missed payment markers on his credit file, I think the impact the situation has had on Mr A in relation to his credit file has been minimal. And I find that this is a fair way to resolve things.

I can see that Barclaycard has taken the decision to reduce Mr A's credit limit – and it has declined Mr A's request to have this increased again. How much a business is prepared to lend to a customer is usually determined by its lending criteria. And this service generally wouldn't interfere with a business' commercial decision on what risks it is prepared to take when lending to a customer. There is also an expectation that a business reviews the credit available to customers to ensure that it lends responsibly. Because of this, I can't fairly say that Barclaycard has done anything wrong when it took the decision to decrease Mr A's credit limit. And I won't be asking it to reinstate the limit Mr A once had.

I have noted that Mr A experienced some customer service issues when dealing with Barclaycard – and I can see Barclaycard has accepted that it could have done better here. I can understand that it must have been frustrating for Mr A to have had to spend time trying to make a payment and to sort the matter out. Taking into account everything I've seen, I agree with the Investigator that £150 is a fair amount of compensation – and in line with this service's normal approach to a distress and inconvenience award.

## **Putting things right**

To put things right for Mr A, Barclaycard should pay £150 in total to Mr A for distress and inconvenience caused to him.

## **My final decision**

For the reasons set out above, I uphold Mr A's complaint. Barclays Bank UK PLC trading as Barclaycard should put things right for Mr A by doing what I've said above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 December 2023.

Sophie Wilkinson  
**Ombudsman**