

The complaint

Miss A complains that Barclays Bank UK PLC trading as Barclaycard failed to engage with her when she tried to advise it of her change of address. She further complains that when she asked for her account to be closed Barclays failed to notify her of a balance due and as a result her credit score was affected.

What happened

In late 2022 Miss A contacted Barclays by iMessage to advise it of a change of address but she was unable to get through. She decided to close her account. She was advised not to bother about the change of address as the account would be closed. She was also advised that her final direct debit payment had been taken. The account was closed but Barclays failed to advise Miss A there was still an outstanding balance. She was notified by text in January 2023 that her payment was overdue. She called into her local branch and the branch manager offered to close the account and pay her an additional £75 compensation. She declined the offer.

In responding to her complaint Barclays said it would refund the £12 late fee and credit £50 to her account. It advised her that her credit file wouldn't be affected.

Miss A monitored her credit file and noted that the marker for her late payment was still on file.

On referral to this service our Investigator proposed that Barclays pay compensation of £250 (including the £62 already refunded) and arrange with the Credit Reference Agencies (CRAs) to ensure that any late markers are removed.

Barclays said it has done this and paid the balance of £188 to Miss A. She insists though that her credit report is still showing the late payment marker. She has requested an Ombudsman's 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.

change of address

I see that Miss A tried to register the change of address by iMessage but was unable to get through. She could however have done this in other ways. I don't think that Barclays was at fault for failing to register her change of address.

However when she asked for her account to be closed I think at that stage Barclays should have taken details of her change of address, rather than telling her there was no point in doing it. As Barclays will be well aware, loose ends may need to be tidied up after closure of an account, as happened here.

closure of the account

I think Miss A was given the wrong information concerning what she owed in order to close the account. She had just paid the £30 direct debit but there was still a £32 balance outstanding which she was not told about. So when she received a text in January advising her that the payment was late I can understand that she was distressed by this. She felt she needed to attend her branch to make sure her complaint was heard.

Barclays refunded £50 and the £12 late fee to Miss A. It said it was arranging to remove the marker but by May, Miss A noted that as she was monitoring her credit report, this was not done.

Our Investigator proposed that Barclays pay a further £188 and manually update her credit record to remove any markers for late payment. I think that it is fair and reasonable for Barclays to do this.

Barclays has told us it has updated her credit record. It has also paid the £188 recommended. Miss A says that the removal of the marker is still not showing on her credit file. It can take around eight weeks for the record to be updated. If her credit file is still showing late markers she should provide that evidence to Barclays (through our Investigator if she wishes).

I'm aware that Miss A has had her credit score affected by this and she believes this will hinder her chances of getting a mortgage or other credit. However as she hasn't been in the process of applying for mortgage or other credit I can't take that into account. Although I appreciate that this has caused her anxiety.

I am aware that Miss A has had to purchase subscriptions to get her credit score and record. Though there are free options so I won't ask Barclays to pay this.

I think the Investigator's proposals (which Barclays accepted) are fair and reasonable. Miss A has been put through considerable inconvenience by Barclays' errors which took time to sort out. As it remains satisfied that it has done what it can in respect of updating her record it should send Miss A evidence of this so she can take it up with the relevant CRAs.

Putting things right

Barclays should pay Miss A a total of £250, as it has paid this it doesn't need to make any further payments.

It should also arrange to remove any markers for late payment from her credit record. As it says it has done this it should provide evidence to Miss A about this.

Barclays should further arrange with Miss A to update her address on its records and to send her any statements she requires.

My final decision

I uphold the complaint and require Barclays Bank UK PLC trading as Barclaycard to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 8 September 2023.

Ray Lawley
Ombudsman