

The complaint

Mrs C complains that a loan previously written off by Barclays Bank UK PLC (Barclays) appears on her Barclays mobile banking app. She finds this stressful and would like significant compensation as a result.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here. Instead, I will focus on giving the reasons for my 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.

Having done so I have reached the following conclusions:-

- There is no dispute that details of an old loan, written off around 2018, shows on Mrs C's mobile banking app. She has told us she finds this distressing as it reminds her of a difficult time in her life. Barclays offered Mrs C £200 compensation for the distress caused but Mrs C doesn't feel this is sufficient. She would like compensation in excess of £4700
- Barclays has explained that although the loan was written off as it wasn't fully repaid, the loan wasn't closed. In these situations, its process is to show the loan as active. I appreciate that might be upsetting for Mrs C but it's not for us to tell businesses what processes to use.
- Barclays has also explained that arrears notices were issued in error to Mrs C in 2022 and 2023 as a systems error removed a block to these letters being sent. The block has now been reapplied so Mrs C shouldn't receive any more arrears notices.
- Finally, Barclays has explained that instead of using her mobile banking app to view statements Mrs C could opt for paper statements instead as these wouldn't show details of her old loan. Mrs C doesn't find this acceptable. I appreciate she might prefer to use her banking app but I don't think it was unreasonable of Barclays to make this suggestion. It is at least an option open to her which would avoid the distress of seeing information she doesn't want to see.
- I do think it's reasonable for Barclays to award some compensation - more for the generation of letters relating to her old loan than for the loan showing on her banking app. Mrs C has asked for the balance of her account - £4700 to be written off with additional compensation. I think this is disproportionate. Mrs C hasn't suffered any financial loss. Barclays made a mistake issuing arrears letters but has resolved this, and as I understand it there has been no impact on Mrs C's credit file. Barclays has also provided a solution for Mrs C to access her account without seeing details of her old loan. I think the £200 compensation for any distress and inconvenience is fair in this situation.

My final decision

My final decision is that Barclays has made a fair offer.

In full and final settlement of this complaint Barclays Bank UK PLC should pay Mrs C £200 compensation for any distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 18 December 2023.

Bridget Makins
Ombudsman