

The complaint

Miss A complains that Barclays Bank UK PLC (Barclays) hasn't communicated with her about a debt it says has been outstanding since 2014, leaving her facing unexpected financial consequences.

What happened

Miss A opened a student account with Barclays in July 2006. In June 2009, a £1500 overdraft limit was applied to the account. Miss A regularly used the account until 27 June 2013, when all transactions stopped. The account balance on that day was £1499.88 overdrawn.

In January 2014, Miss A wrote to Barclays asking for her address to be changed to an overseas address. On 16 January 2014, Barclays wrote a letter to Miss A at that overseas address explaining that it couldn't update the address because the signature of the letter did not match the signature that was held on its records.

Sometime later Miss A changed her address to a UK address.

Miss A also held other accounts with Barclays, at some point in time one of these accounts was passed to collections and Miss A set up a payment plan to clear the debt owed on it. Miss A says it's only when she called Barclays in March 2023 to discuss this ongoing payment plan, that she was advised of the debt owing on the student account. She says up until this point, she had been unaware of this account having a balance owing on it.

Miss A complained to Barclays as she couldn't understand why Barclays had never communicated with her about this account, when the Barclays didn't uphold her complaint, it said it had written to her last known address about the account on numerous occasions since 2013. Miss A remained unhappy and so brought her complaint to this service.

Our investigator didn't feel Miss A's complaint was one that should be upheld, in summary he said:

- following its rejection of the overseas address change, Barclays had not received any other address change requests.
- Although Miss A says this account didn't show up on her online banking, he couldn't see that she had signed up for this service.
- there is some responsibility for an account holder to know their account status such as in this case.

Miss A didn't agree with the investigator and so the matter has now been passed to me to decide.

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.

I realise that I've summarised this complaint in less detail than the parties and I've done so using my own words. I've concentrated on what I consider to be the key issues. The rules that govern this service allow me to do so. But this doesn't mean that I've not considered everything that both parties have given to me. Having done so, I have to tell Miss A that I have reached the same outcome as the investigator and for broadly the same reasons. I'll explain, but in doing so I'll keep my comments to what I think is relevant.

Miss A was regularly using her account until June 2013, I've seen evidence that even after she stopped using the account monthly statements were still sent to the address that was registered on her file. She didn't request a change of address until January 2014, so I'm satisfied that until this point, she was being sent her statements and was likely aware of the account.

Miss A had other accounts with Barclays and so when her change of address request was denied in January 2014, even if she had forgotten about the existence of this account, I think she ought reasonably to have been aware that correspondence from Barclays would still be going to her old address, and so she would need to do something about this. She has told us that she did ask Barclays to change to a different UK address, however her customer profile with Barclays shows that she only moved into this address on 1 June 2016, it follows her address could not have been updated before this point.

I've seen evidence to show the last statement was sent to Miss A at the previous address in May 2014, and in June 2014 a termination notice was also sent to her at that same address. Barclays sent a further termination letter in September 2014, in this letter it explained that Barclays may transfer the debt to an outside agent. And explained its intention to register the details of the account with credit reference agencies. The debt was then sold to an outside company, and so at that point was removed from Barclays system, as the outside company became responsible for recovering the debt.

I think it's reasonable for Barclays to have continued corresponding with Miss A at her previous address until 1 June 2016. And given the debt had been sold prior to this I don't think Barclays acted unfairly when not writing to her about it at her new address. I would have expected the outside company to have completed trace work to find Miss A's address and advise her of the debt owing but I can't hold Barclays responsible for the actions or inactions of the outside company.

Miss A says the account wasn't showing on her online banking and if it had been she would have been aware of it. Due to the passage of time, there are no records to be able to see what was showing on her online banking at the time. But I think it's more likely than not that the account was showing prior to it being closed and the debt being sold.

Barclays has told us that the outside company returned the account to Barclays and so it is now responsible again for the collection of the debt owed. I'm satisfied Barclays has informed Miss A of the debt, as that is what has led to this complaint. I'm also satisfied the debt is owed and having seen the transaction history of the account; the balance is correct. As the account was a student account no interest or fees have been added to the balance. It's now for Barclays to work with Miss A to find a suitable and affordable payment solution.

I appreciate Miss A's strength of feeling about this and understand how disappointing it must have been for her to find out she has an outstanding debt she had forgotten. However, we all individually have a responsibility to be aware of the accounts we hold and while it can be easy for things to slip our minds in busy times, this doesn't take away the liability for any

moneys we owe. And as I can't fairly say Barclays have done anything wrong here, I won't be upholding her complaint.

I know this outcome will be upsetting for Miss A, but my decision ends what we – in trying to resolve her dispute with Barclays – can do for her.

My final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 12 December 2023.

Amber Mortimer
Ombudsman