

## **The complaint**

Mr A complains that Barclays Bank UK PLC hasn't taken his personal circumstances into account or provided the assistance it should have when he has explained his financial difficulties.

## **What happened**

Mr A says that Barclays hasn't adequately considered his personal circumstances when pursuing him for the arrears on his account. He says he has been without a permanent job and had help from family and friends to raise some money to settle his debt, but Barclays didn't accept his offer. Mr A says he doesn't want to agree to an arrangement plan and feels he was pressured into the long-term plan in 2021 which put him under pressure to make unsustainable repayments. He says he was told that the complaints team would call him back, but this didn't happen and then a default was applied to his account.

To resolve this complaint, Mr A wants Barclays to accept his offer of a final settlement for his account, remove any negative credit file information and refund interest and charges from when he agreed the plan in 2021. He also wants compensation for the distress and inconvenience he has been caused.

Barclays issued a final response letter dated 30 May 2023. It said in January 2021, it agreed a Persistent Debt Paydown plan with Mr A which required him to make monthly payments of £162 and the interest charged was reduced. It said that this had no impact on Mr A's credit file. Barclays said that other options were available, but these would be subject to an income and expenditure assessment and could have an impact on Mr A's credit file. It noted Mr A's comment about receiving letters about his account while his complaint was being investigated but said it was required to send letters informing him of the position of his account and any action that might be taken. It placed Mr A's account on hold for 30 days.

Our investigator thought that Barclays had tried to assist Mr A when he had been in persistent debt and struggled to make his repayments. He noted that Mr A was able to make the payments under the plan agreed in January 2021 for many months and that it wasn't until May 2023 that there appeared to be serious issues with Mr A's account. He said that Mr A was offered a zero percent interest rate plan in May 2023 that he declined and that Barclays put Mr A's account on hold for 30 days. He noted Mr A's offer of £750 to settle the account but didn't think that Barclays had done anything wrong by not accepting this and, given the status of Mr A's account he didn't think that Barclays had done anything wrong by applying the default.

Our investigator did identify some issues with the service Mr A had been provided with and recommended that Barclays pay him £100 because of this.

Barclays accepted our investigator's view. Mr A reiterated that he didn't think that Barclays had taken into account fully his personal circumstance or engaged with him. He said he didn't have any choice but to agree to the plan in 2021 and that his main concern now was the removal of the default from his credit file.

## **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.

Mr A doesn't think that Barclays has adequately considered his personal circumstances and hasn't offered the support or service it should have when he has explained his financial difficulties. He feels that he wasn't given reasonable options in 2021 and instead felt forced to agree to a payment plan and that more recently he wasn't called by the complaints team before a default was applied to his account. I have considered these issues but for me to uphold this complaint I would need to be satisfied that Barclays had done something wrong or treated Mr A unfairly.

In 2021, Barclays contacted Mr A as he was in persistent debt. Our investigator has explained that lenders are expected to act to ensure that its customers don't stay in debt for long periods of time. When a customer is in persistent debt there are steps a lender should take to encourage customers to repay debt and where a customer is unable to pay, the lender must offer forbearance such as reducing the interest rate.

In this case, in January 2021, Barclays put in place a repayment plan to allow Mr A to clear his balance with a reduced interest rate. I think it reasonable to accept that this was put in place to assist Mr A to reduce his outstanding debt and that the actions taken were in line with the requirements on Barclays when dealing with customers in persistent debt. Mr A agreed to the repayment plan at the time.

I note Mr A's comments about feeling he had no option but to accept this plan and that he struggled to meet the repayments. However, I can see that in January 2021 an income and expenditure assessment was carried out which suggested the repayments were affordable. Mr A was then able to maintain the repayments for an extended period of time. While I note his comment that although he was able to make these repayments this didn't mean that he wasn't experiencing financial difficulties, I cannot see evidence that he raised this issue with Barclays at the time. So, I find it reasonable that Barclays would have believed the repayment plan to be suitable for Mr A.

In February 2023, Mr A contacted Barclays about paying his arrears. In April 2023, he made Barclays aware of his situation and said he didn't want to set up a payment plan but wanted a final settlement figure. I appreciate Mr A's frustration that Barclays didn't give him a settlement figure, but Barclays has explained that it doesn't offer partial settlements but it will consider offers put forward by customers. In this case, while I understand Mr A feels that Barclays didn't fully take into consideration his circumstances and that it should have told him an acceptable settlement amount, I do not find I can say that Barclays did anything wrong or treated Mr A unfairly by following its usual approach of not providing an amount that would be accepted or by not accepting the amount Mr A offered. Had Mr A had further money available to him he could have offered this to Barclays, and it could then have assessed whether the offer was affordable for Mr A and acceptable to it.

I appreciate that Mr A doesn't feel that Barclays has done enough to support him while he has been struggling financially but in this case I can see that it did apply 30 day payment freezes to his account in May and June 2023 and in May 2023 it also offered to look at a zero interest rate plan but Mr A declined this. Therefore, I find that Barclays was trying to assist Mr A when he explained his circumstances.

In August 2023, Mr A was sent a default notice. Based on the status of his account at that time I do not find that Barclays was wrong to take this step. This notice set out the amount that needed to be paid by 11 September 2023 to prevent further action being taken. Mr A

called Barclays ahead of the 11 September date. On 8 September, Mr A is told that he will need to have an affordability assessment undertaken as his account is in the default process. An income and expenditure assessment was carried out which showed he had a monthly deficit. This situation was also identified in June 2023. Based on the September affordability assessment Mr A is told that a repayment plan cannot be set up. As Mr A wasn't able to make the required payment set out in the default notice and the affordability checks showed he had a monthly deficit, meaning a repayment plan couldn't be set up, I do not find I can say Barclays did anything wrong by applying the default to Mr A's account.

Mr A has said that he was told he would be called by the complaints team, but this didn't happen. I have listened to the calls and Mr A is told that on 8 September call he will be called by the complaints team but when this will happen cannot be confirmed. Mr A asks if the complaints team will call him before 11 September and the adviser says she can't confirm this. On 11 September call, Mr A is again told the complaints team will be in touch and that he doesn't need to do anything further. I can understand that Mr A was trying to get the issue dealt with by the complaints team before the 11 September and his frustration with not getting the call back. But I do not find, based on the other evidence gathered, that had this call happened it would have altered the outcome in regard to the default being applied.

I have therefore considered the upset and stress Mr A suffered when trying to confirm when he would be called by the complaints team, and by the issues with calls not being made at the agreed times. I accept this will have been frustrating and upsetting for Mr A. Taking this into account I think that the £100 compensation that our investigator recommended, and Barclays has accepted to pay, is a reasonable resolution to the upset these issues caused.

### **Putting things right**

Barclays Bank UK PLC should pay Mr A £100 compensation for the service issues he experienced.

### **My final decision**

My final decision is that Barclays Bank UK PLC should take the action set out above in resolution of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 March 2024.

Jane Archer  
**Ombudsman**