

The complaint

Miss J complains Barclays Bank UK PLC closed her account without telling her, and then refused to help her transfer her direct debits (DD) to a new account with Barclays.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements of this below, and they form part of this final decision.

Miss J says in a call to Barclays in 2018 their agent offered her a scheme to help her get out of her overdraft. She accepted this offer, but says the agent rushed through the information and didn't follow up the details in writing. In April 2019 Miss J says she heard from Barclays again asking her to top up her account, but when she called she discovered they'd closed her account without telling her.

Miss J says the operative on the phone wasn't helpful, and suggested she go to the branch. She said they refused to transfer direct debits to her secondary account with Barclays and they showed her no empathy when she was in branch very distressed.

Miss J says she tried to raise disputes using email addresses from Barclays' website, but these went unanswered despite her receiving automatic replies. She then started getting contact from debt collectors – two in 2020 and another in 2021. Miss J says each time the matter was referred back to Barclays because they'd not told her they were referring the matter to debt collectors. Overall, Miss J says based on what's happened, the stress and how long it's been going on for, she'd like them to write off the debt.

Across several responses, Barclays said:

- Miss J's email in June 2019 was sent in relation to Barclays asking for feedback. At the time, they didn't register complaints this way. They had no record of any other contact from Miss J.*
- In relation to the management of her debt, they spoke with her in November 2018 and she said she was having financial issues. After completing an income and expenditure form, they found she had a negative disposable income. So, they put an informal plan in place until 23 June 2019 where she didn't have to pay anything. This plan also froze interest.*
- Miss J agreed to this plan, and also agreed the account would close unless she told them about any changes in circumstances. A Termination Notice was issued to her on 30 April 2019.*
- They didn't hear from her until 4 June 2019 asking to get access to money that'd been paid into the account. They gave her this access, but then recommended she open a new account. On 5 June 2019, they closed her account with an overdrawn balance of £1,514.63.*
- In November 2020 her account was sold to a debt purchaser who I'll refer to as P.*

Overall, they didn't think they'd done anything wrong.

Unhappy with this, Miss J asked us to look into things. One of our Investigators did so but didn't uphold her complaint.

Miss J strongly disagreed, said Barclays had been negligent, and she was the only one to evidence her version of events so the complaint should be upheld. Because of this, the complaint has been passed to me to decide.

What I've provisionally 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 think it's important to firstly explain I've read and taken into account all of the information provided by both parties, in reaching my decision. I say this as I'm aware I've summarised Miss J's complaint in less detail than she has. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

Account closure

From the information I've seen provided by Barclays, they and Miss J had a conversation on 23 November 2018 in which they discussed her account.

Barclays say they told Miss J in this call that her account would be closed upon expiry of the agreement reached and have provided a copy of a letter they say they sent to Miss J after the call. The notes say the account would be closed on 23 June 2019.

Miss J says she never received the letter. It's dated 28 November 2018 and is properly addressed to Miss J. Barclays have also provided evidence from their systems to show the letter was sent. Why Miss J didn't receive it I can't know, but I can only say Barclays have done something wrong if they've made an error – and here they've shown they did send the letter.

While Miss J has said she didn't know her account was going to be closed, it seems more likely than not to me she was told this on the phone. I appreciate given the difficult conversation she was having this may not have fully registered with her, but memories can and do fade. And, in any event, the letter did say this – so I find Barclays have fairly notified Miss J of the intention to close her account.

Miss J also said she didn't get the account termination letter sent in April 2019. Again, Barclays have shown this letter was sent – so I'm satisfied they've done all they can to let Miss J know her account was going to close.

Transferring her direct debits

I'm not though satisfied they did enough to help her when the account was being closed.

On 4 June 2019 Miss J has said she called Barclays to withdraw funds. At this point, Barclays knew they'd sent the letters to Miss J, even if she hadn't received them, so they knew her account was due to be closed.

Despite this, Miss J has said she was offered no help in getting her direct debits transferred – either on the phone or by the branch. This is relevant because when Miss J's account was closed on 5 June 2019, none of her direct debits had been transferred.

Miss J has said this led to her having to take a day off work to sort everything out – and she incurred lots of admin charges too. The account was closed 5 June 2019 – the day after Miss J had called. In the circumstances I think it'd be reasonable for Barclays to be aware her account was due to be closed, and that the direct debits she had set up couldn't be transferred from a closed account. So, I'll be upholding this element of Miss J's complaint, and I'll explain that in the putting things right section below.

Not asking her to repay her debt between the account being closed, and then defaulting her

Miss J also said Barclays hadn't done enough to help her repay her debt after they'd closed her account and before they defaulted her.

It seems though Miss J may have things slightly the wrong way around – as they defaulted her account first on 30 May 2019, and then closed her account shortly afterwards. Following that, they then sold her debt to a debt purchaser.

The standard notifications for defaulting someone contain information on how to pay her debts, and I've seen no reason why they wouldn't have been given to Miss J. So, I don't think Barclays have done anything wrong on this point.

Raising a complaint

I've also noted Miss J's concerns about trying to raise a complaint. As she says she tried on several occasions, but Barclays ignored her.

On one of those occasions Miss J told Barclays about her concerns through a 'feedback' mechanism. Barclays have said they didn't take complaints that way at this time.

Ultimately it's for Barclays to decide how their customers can complaint to them and what communication methods to use, but they are required to deal with complaints when raised. And, when these issues are an exacerbation of existing problems, I can factor them in – so I'll do that.

Responses to my provisional decision

Barclays didn't reply by the deadline.

Miss J did, and I've summarised her thoughts in my own words:

- Miss J asks if Barclays have evidenced any further support before selling her account to debt collectors?
- Have Barclays provided reasons why there was an eight month gap between the closure of her account, and then passing her debt on to various debt collectors
- Have Barclays provided reasons why Barclays didn't investigate matters when the account was returned to them from the debt collectors?
- Have Barclays provided reasons why their portal doesn't accept emails but doesn't say this on their website – as it really should
- Neither side can prove letters were sent, but she can prove an email landed with them, and Barclays let her down

- In respect of gaining evidence she's explained this is difficult to do given the years that have gone by

Overall, Miss J hoped I would review matters and increase the compensation.

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.

So I need to make it clear my role isn't to answer every question asked, but rather ensure a fair and reasonable outcome is reached on the complaint.

By the time Miss J's account had been defaulted, this essentially means the relationship has broken down between her and Barclays. Whether they offered any further support I don't know, but Miss J did know she could call them and discuss things – as she did that on several occasions.

As for why there was an eight month period in them passing the account on I also don't know as we've not asked Barclays, but ultimately I'm satisfied it doesn't make a difference to the outcome of her case. I don't think any delay in passing the account on will have caused any further issues for me to consider in Miss J's case – when the issues I was considering were about them closing the account, when they defaulted the account, the transfer of the direct debits and issues regarding making a complaint.

In respect of Miss J's difficulties in raising a complaint I have considered those issues when I was factoring in compensation. And I do agree Barclays let her down – and that's something I did factor into the compensation I mentioned in my provisional decision.

I do genuinely accept it's been an incredibly frustrating time for Miss J, and I am sorry to hear of the challenges she's had. But, I remain of the opinion £300 is fair compensation for Barclays' failures regarding investigating her complaint (when she raised it on multiple occasions, and when the account was passed back through debt collectors).

I have also seen Miss J says it's difficult to get evidence of the charges she experienced. Again, I understand that, but I can't reasonably require Barclays to refund charges without evidence those charges were incurred nor without knowing how much they were for. So, if Miss J wants a refund of those charges, I'm afraid she will need to provide evidence of them to our service / Barclays. I can't though leave this issue open ended, so I've added a deadline below for Miss J to provide this evidence.

I still think the outcome I reached previously is fair and have set it out below.

Putting things right

Overall then, I still think Barclays have acted fairly in closing Miss J's account, and haven't done anything wrong regarding asking her to repay her debt. But, I do think they should have helped her switch her direct debits and dealt with her concerns earlier than they have. I'll also add 8% interest for any charges Miss J has paid to compensate her for not having those funds which she should have.

Because of that, Barclays should:

- Refund any fees charged to any Barclays account for failed direct debits as a result of these issues – they'll need to apply this as a credit to the balance currently held by P
- Refund any charges Miss J is able to evidence she incurred in June 2019 when her account was closed. If Miss J chooses to accept the decision, then she'll have a further month from that date (the date she chooses to accept the decision) to provide us / Barclays with the relevant evidence – if she doesn't do so by that date, then it'll be Barclays' choice on whether they refund the charges or not.
- Pay Miss J 8% simple interest* on any charges she's incurred and paid herself, from the date of the payment to the date of the settlement – if Miss J incurred charges on her Barclays account which haven't been paid off, then she doesn't get the 8% interest payment
- Pay Miss J £300 compensation

*HM Revenue and Customs requires Barclays to deduct tax from the interest payment referred to above. Barclays must give Miss J a certificate showing how much tax they've deducted if she asks them for one.

My final decision

I partially uphold this complaint and require Barclays Bank UK PLC to carry out the actions in the 'Putting things right' section of this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 31 January 2024.

Jon Pearce
Ombudsman