

The complaint

Mr S complains about how Barclays Bank UK PLC, trading as Barclaycard, administered his account.

He's unhappy Barclaycard recorded a default against him. He's also unhappy that his mobile banking app didn't allow him to access his account, that his standing order kept being cancelled and that he was unable to arrange a direct debit.

What happened

Mr S held an account with Barclaycard.

In July 2023, Mr S contacted Barclaycard to raise a complaint. He was unhappy that a default had been registered against him; with the other issues that he'd experienced around Barclays' banking app, his standing order and direct debit.

Barclaycard investigated Mr S' complaint, but it didn't agree that it had done something wrong. It discussed Mr S' concerns with him over the phone, and it sent him a short follow-up summary resolution communication.

To summarise, Barclaycard said the default had been correctly applied; that a direct debit couldn't be arranged given Mr S' account was in a state of collection, and that any issues with his standing order would need to be directed to his bank.

Mr S wasn't happy with Barclaycard's response, so he contacted this Service for an independent review.

An Investigator here looked at what had happened, but he didn't think that Barclaycard had done anything wrong. He said, in short:

- Mr S' account had been closed, which is why Barclaycard's app wouldn't work – given there wasn't an account to access.
- Barclaycard's policy was to avoid direct debit arrangements with customer accounts managed by its recoveries team. That wasn't unreasonable.
- Standing order arrangements would be managed by Mr S' bank – not Barclaycard. So, any issues were best directed to his bank.

Mr S didn't agree with our Investigator, and nor did he think his full complaint had been reviewed. Specifically, he said the default hadn't been covered. So, he asked the Investigator to re-review.

Barclaycard initially thought that Mr S' default had already been addressed by our Service in a separate, previous complaint. It seems, though, that after some further correspondence, the Investigator and Barclaycard ultimately agreed the application of the default could be considered.

When our Investigator reassessed the matter, he said:

- The default had been backdated to September 2021, and there was no dispute that Mr S' account had been in a sustained period of arrears during that year.
- Barclaycard had a duty to report accurate information to Credit Reference Agencies (CRAs). From the information available, Mr S hadn't made the contractual repayments towards his account.
- Mr S had been sent a default notice telling him the status of the account, and the action he needed to take to avoid default. Mr S hadn't taken that action.
- Mr S' assertion that he'd been told, during a call with Barclaycard on 19 July 2023, that the default could be removed had been noted. But there was no evidence of such a remark being made. And even if it had been, that was likely wrong information – and didn't automatically mean the default should be removed.
- Overall, there was nothing to suggest the default had been incorrectly, or unfairly, applied. So, it wouldn't be reasonable to ask Barclaycard to remove it.

Mr S disagreed. He maintained that he'd been assured the default could be removed, and he felt it should be. Mr S was also unhappy that Barclaycard hadn't provided recordings of the relevant phone calls.

As no agreement has been reached, the complaint has 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.

Having done so, while I know this will greatly disappoint Mr S, I don't think the complaint should be upheld. I'll explain why, but before I do I think it's important to explain that I haven't commented on each and every point Mr S has raised.

Our role is to be an informal service, so I've focussed on what I consider to be at the heart of the matter. I hope Mr S won't take that as a discourtesy; my approach here is simply to align with our informal purpose.

Turning first to the standing order, I agree with our Investigator when he says that any issues regarding it would best be directed to Mr S' own bank. Broadly speaking, that's because a standing order is arranged through a customer's instruction to their bank to *send* money. As opposed to a firm, such as Barclaycard, for example, *claiming* the money from a customer's bank account – which is how a direct debit would operate. There's nothing I've seen which suggests Barclaycard was responsible for any issues with Mr S' standing order.

I know Mr S was unhappy with Barclaycard not arranging a direct debit for him but, as I understand it, it's simply the case that Barclaycard doesn't arrange direct debits for accounts managed by its recoveries team. That's a legitimate commercial decision which Barclaycard has made; I have no power to force them to change it and, broadly, I don't find it to be irrational.

As a wider point, we're not the regulator and we won't generally interfere with a business' internal processes or systems. So, while I can understand Mr S' disappointment and frustration, looking at things objectively here, I can't fairly conclude that Barclaycard did

something wrong when it didn't arrange a direct debit – given that's its process in such circumstances.

I also don't find that Barclaycard did something wrong because its mobile banking app wouldn't allow Mr S to access his account. As I understand it, the account was closed, so there was no action which could be taken with it and, consequently, there was no need for the banking app to provide access to it. Much like our Investigator, I can understand if Mr S was confused by this given the account did have an outstanding balance. But I don't consider Barclaycard to have provided an unreasonable explanation.

The crux of the matter here, I think, is the default Barclaycard applied to Mr S' credit file. He's explained the impact it's had on his ability to obtain credit – something he's said he relies upon – and I am sorry to hear of the worry it's caused him.

That said, I don't think it would be reasonable of me to require Barclaycard to remove the default. I say that because, from the information I have available, Barclaycard applied a default after Mr S didn't meet his contractual repayments. Moreover, I've seen that Mr S was issued with a default notice, and that after the default was applied it was backdated to an appropriate date – when repayments were missed. In my view, there's nothing inherently unreasonable about that. So, with that in mind, I can't agree that the default was applied unfairly, and I don't require Barclaycard to remove it.

I know Mr S is aggrieved at being told over the phone, by Barclaycard, in July 2023, that the default could be removed. I don't have a recording of that call, only some transcripts provided by Barclaycard, but I have no reason to doubt Mr S's recollections. In any event, though, even if Mr S was told that the default could be removed, that doesn't mean it *should* be removed.

While it is, of course, unfortunate if Mr S was provided with wrong information; the fact remains that I'm satisfied Barclaycard acted reasonably when it applied the default – nothing makes me think it made an error in doing so.

Overall, to sum up, I know this isn't the answer Mr S will be hoping for and I understand his frustration at what's happened here. It's clear he feels very strongly about what's happened. But for the reasons I've explained, I don't find that Barclaycard has acted unreasonably, or unfairly, in the circumstances. So, it follows that I don't uphold this complaint.

My final decision

My final decision is that I don't uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 February 2024.

Simon Louth
Ombudsman