

## **The complaint**

Mrs M complains that Barclays Bank UK PLC trading as Barclaycard recorded a default on her credit file. She's also unhappy about the customer service she received when she contacted the bank.

## **What happened**

Mrs M held a credit card account with Barclaycard. She missed some payments and the account fell into arrears.

Barclays sent letters to Mrs M about the arrears on the account in which it warned her that if she kept missing payments, it would send her a Default Notice.

Mrs M contacted Barclays on 15 March 2023 to explain her financial situation but couldn't speak to anyone who could help her as the department was busy. Barclays provided Mrs M with the telephone number for the persistent debt team to call at her own convenience.

On 23 March 2023 Barclays sent a Default Notice to Mrs M which required her to pay £458.92 on or before 22 April 2023. Mrs M didn't make a payment and the account was subsequently defaulted.

Mrs M complained to Barclays. She said she hadn't received the Default Notice and didn't understand what a default was because English isn't her first language. She said staff at Barclays had talked over her when she asked them to explain things.

In its final response, Barclays said it was sorry if its advisors had talked over Mrs M when she was trying to explain things. It said it could see that Mrs M had contacted them several times since the account defaulted. It noted that Mrs M hadn't received the Default Notice dated 22 March 2023 but said it could evidence that this had been sent. It said it couldn't remove the default from the account. Barclays said it could see that Mrs M had contacted them on 15 March 2023 and that she had been provided with the telephone number for the persistent debt team. It said there had been no further contact from Mrs M until after the default had been registered. Barclays offered Mrs M compensation of £25 by way of apology for the poor service she'd experienced when she contacted them.

Mrs M remained unhappy and brought her complaint to this service.

Following the referral of the complaint to this service, Barclays increased its offer for the poor service received by Mrs M to £100.

Our investigator said the offer of £100 was fair and reflected the fact that elements of the service could have been better. The investigator said that with regards to the default, they were satisfied that Barclays had provided sufficient information to Mrs M about what a default was, when it would become applicable and what the impact of a default would be.

Mrs M didn't agree. She said that no-one had explained what a default was and she never received the Default Notice.

## **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've reviewed the terms and conditions of the account. Mrs M accepted these when she opened the account. These say that a default will be applied if payments aren't made on the account. I've also reviewed the letters which Barclays sent to Mrs M when her account fell into arrears. These advise Mrs M of the arrears and offered help if she was struggling to make a payment. The letters also explain what will happen if payments continue to be missed, including the registration of a default which will last for 6 years and which may make it harder to obtain credit.

Based on what I've seen, I'm satisfied that Mrs M was provided with sufficient information about what a default was and what impact it would have.

I've also reviewed the Default Notice dated 22 March 2023. This required Mrs M to make a payment of £458.92 by 22 April 2023. I'm aware that Mrs M has said that she didn't receive the Default Notice. The Default Notice was correctly addressed to Mrs M, so it isn't clear why she didn't receive it. I haven't seen anything to suggest that the Default Notice wasn't correctly sent to Mrs M.

The relevant guidance says that an account can be defaulted if there are between 3 and 6 months of arrears. Mrs M's account meets this criteria. Taking everything into consideration, I'm unable to say that Barclaycard made an error by defaulting the account or that it treated Mrs M unfairly.

I appreciate that Mrs M has concerns about the impact on her credit file. The letters sent by Barclays prior to the default Notice warned Mrs M about this. Barclays is under an obligation as a lender to report accurate information to the credit reference agencies. The default accurately reflects the state of Mrs M's account. I'm satisfied that the default has been correctly reported on Mrs M's credit file, so I won't be asking Barclaycard to remove it.

I've taken account of what Mrs M has said about the issues she experienced when she contacted Barclays. I'm sorry to hear that she feels that she was talked over and treated unfairly. I can also see that there were long wait times sometimes when she called. Barclays has acknowledged that it could've provided better service on some occasions when Mrs M contacted them to discuss the default and has offered to pay compensation of £100. I think this is a fair and reasonable offer.

## **Putting things right**

To put things right, Barclays Bank UK PLC trading as Barclaycard must pay compensation of £100 to Mrs M.

## **My final decision**

My final decision is that I uphold the complaint. Barclays Bank UK PLC trading as Barclaycard must pay compensation of £100 to Mrs M.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 20 May 2024.

Emma Davy

**Ombudsman**