

The complaint

Miss M complains that Barclays Bank UK PLC treated her unfairly when she exceeded the limit for her secured overdraft facility. Miss M says Barclays failed to offer a solution. She asks for substantial compensation for her health and financial problems.

What happened

Since 2004, Miss M has had a mortgage and a mortgage current account (MCA) with Barclays. The MCA has a facility which allows Miss M to borrow money up to a specified limit, with the debt secured on her property. This is, in effect, a secured overdraft.

Barclays wrote to Miss M in early 2023 as the overdrawn balance of the MCA exceeded the limit. It asked Miss M to bring the balance within the limit. Barclays says Miss M didn't do this. It said she didn't contact it to discuss her circumstances so that it could offer support, despite its requests for her to get in contact.

In September 2023 Barclays passed the account to solicitors. Miss M raised a complaint. She says it was Barclays that failed to offer a solution and set up an affordable payment plan despite her efforts.

Our investigator said Barclays had made reasonable efforts to contact Miss M about the debt over several months. He said Miss M had failed to respond meaningfully. Our investigator said it wasn't unreasonable for Barclays to ask Miss M to repay the debt or for it to start legal action.

Miss M didn't agree. She said she'd tried to contact Barclays many times to agree a plan that was affordable for her. She said she spent hours on calls, which she can't afford as a working mother. She said communication by staff at Barclays' overseas call centre was poor and didn't make sense. Miss M said Barclays had failed to offer any solutions.

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.

Barclays wrote to Miss M in early 2023 to say that the overdrawn balance for her MCA exceeded the limit. Barclays' letter asked Miss M to bring the MCA balance within the limit. It wrote to her a number of times since then. In summary, Barclays wrote to Miss M at least once each month (and often more) between January 2023 and September 2023.

Barclays' letters set out the facility limit, the outstanding balance and the amount that needed to be repaid for the balance to be brought within the limit. These letters gave Miss M a number to call if she was struggling financially, to talk through her options. The letters also say that if the overdue amount isn't paid and Miss M doesn't get in contact this could result in Barclays taking possession action.

Miss M spoke to Barclays in March 2023 as she'd received a letter from Barclays suggesting

the mortgage was in arrears. Barclays explained the MCA was over the borrowing limit and Miss M said she'd clear the excess.

Miss M called Barclays and raised a complaint in May 2023, as she was unhappy about the letters from Barclays and that a direct debit hadn't been set up. Barclays set up the direct debit and said it would call Miss M about the MCA excess. When Barclays called, Miss M said it wasn't convenient to talk and ended the call.

Barclays wrote to Miss M in July 2023 warning her about the possibility of legal action. In August 2023 it asked that she repaid the MCA balance in full. This letter provided details for Miss M to contact Barclays if she had financial difficulties. Barclays passed the matter to solicitors in September 2023.

Miss M said she didn't receive the majority of the letters our investigator referred to in his view. The letters were correctly addressed. If there was a problem with them being received by Miss M I don't think this was due to an error by Barclays. Miss M referred to the letters about the MCA when she called Barclays in March 2023 and May 2023, and Barclays explained there was an excess on the MCA when she called. I think Barclays did enough to make Miss M aware of the problem and what she needed to do.

Miss M says she wanted to agree an affordable payment plan. But she didn't provide the information Barclays needed to offer support. Barclays called Miss M, but when it said this was to discuss the MCA she ended the call. While it might not have been convenient for Miss M to speak to Barclays at that time, she could have asked to arrange a call at a more convenient time or called Barclays back.

Barclays doesn't have any record of calls from Miss M between May 2023 and September 2023. While Miss M says she called Barclays numerous times with the aim of reaching a solution, she didn't provide evidence to support this. Miss M also said she was waiting for Barclays to contact her with a solution, which is somewhat inconsistent with her making numerous calls to Barclays.

Barclays provided copies of letters it sent to Miss M asking her to get in contact with it. It says it also sent emails and texts asking her to get in contact. I don't think it's fair to say that Barclays led Miss M to believe that it could offer her a solution, such as a payment plan, without her contacting it to provide the information it needed about her circumstances to offer an appropriate solution.

For me to uphold this complaint I'd need to find that Barclays made errors or treated Miss M unfairly. I don't think that's the case. I haven't seen anything to suggest that Barclays was unwilling to offer support to Miss M – such as agreeing an affordable payment plan. It couldn't do this without her providing information about her circumstances. I think Barclays made reasonable efforts to contact Miss M, including by letter, emails, text and phone. It put legal action on hold when Miss M raised a complaint.

Barclays asked Miss M to repay the balance of the MCA – as the account terms and conditions allow it to do. Miss M told Barclays in March 2023 that she intended to look into re-financing the mortgage and MCA towards the end of the year. I don't know if Miss M has taken independent financial advice or otherwise made arrangements to repay or re-finance the debt. But if not, she could be in a difficult position. Barclays has asked her to repay the MCA and this debt is secured on her home. Barclays might not continue to hold legal action once this complaint is resolved – although I would of course expect it to treat Miss M fairly and in accordance with relevant regulations. I'd urge Miss M to get in contact with Barclays and provide the information it needs to explore what support it might be able to offer her.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 8 May 2024.

Ruth Stevenson
Ombudsman