

The complaint

Mr R complains Barclays Bank UK PLC trading as Barclaycard never contacted him after he took out his credit card. He says this led to a default being unfairly applied.

What happened

My understanding is Mr R opened his credit card account in September 2016. The account was subsequently defaulted in January 2020.

Mr R believes an error was made by Barclaycard in changing his address - because he says he's never received a new credit card, PIN or statements. In addition, Mr R says as a result of the address being changed incorrectly, he couldn't make payments so built up a debt. He's also complained as he said Barclaycard told him they'd remove the default they'd applied to his credit card account as part of their fraud investigation – which was also taking too long.

Across two responses Barclaycard said the same address was on Mr R's account from opening until 8 October 2022. They said on this date, Mr R visited a branch, called their customer services and said the wrong address was on his account – but it was the same address from when the account was opened. Barclaycard added after this call made in branch, the agent he was speaking to took another call, and this is when Mr R's address was accidentally updated to an incorrect one. But, at this point, the account had already been defaulted, so they didn't think this was the cause. Barclaycard also said they'd checked Mr R's statements, and these showed the correct address – and said this is also the address any PIN's ordered would have been sent to.

Barclaycard also said after reviewing all the calls Mr R had with them over the last two years, on 28 April 2023 they could find they'd told him they'd remove the default if the fraud investigation was resolved. But they said Mr R told them he didn't want the funds applicable to the potential fraud investigation back, so the fraud investigation was never completed. Barclaycard said when Mr R contacted them in October 2022, they gave him a fraud declaration form which hadn't been returned – and gave him another one in this response. Overall, they didn't uphold the complaint.

Unhappy with this Mr R asked us to look into things – letting us know he'd lived at one address until August 2020, when he then moved.

As part of our standard process, we asked Barclaycard for their version of events. They said, amongst other things, the direct debit that'd previously been in place was cancelled on 11 April 2019, all statements were electronically set up to be emailed, and the last payment was a manual payment on 7 June 2019. The account was defaulted on 30 January 2020, and the balance paid off on 24 January 2021 – at which time the debt was updated to show as partially settled with the credit reference agencies (CRAs). Barclaycard also said to date they've not received the fraud disclaimer form, so they still don't know which transactions Mr R is disputing – and they'd still be happy to look at this.

One of our Investigators considered things, and overall found Barclaycard weren't responsible for the default being registered but felt £50 compensation was fair for the incorrect address being registered in October 2022.

Barclaycard accepted this outcome, but Mr R didn't. He said he didn't have any documents he could provide from Barclaycard, which was part of the problem. But he did want to let us know he had two credit cards with other providers where he'd made virtually all credit card payments on time. He also felt Barclaycard had changed his address earlier than they say, which explained why he never received the replacement credit card, PIN, statements or other letters. Mr R also questioned if he doesn't have access online to statements, which he's said he told them multiple times, and they're not sending him paper statements, how is he supposed to know what to pay. Overall, as Mr R didn't accept our Investigators outcome, the complaint's 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.

Mr R's key concern is that the default has been applied unfairly – and I think that is the crux of this complaint.

Taking things in chronological order, the first issue appears to be from March 2019. The 15 March 2019 statement shows a direct debit was attempted to be claimed on 12 March, but shows as returned on 14 March. This happened again in April 2019 – with an attempted direct debit payment on 9 April 2019, which was returned on 11 April 2019.

I believe it's these returned direct debit payments which led to the direct debit being cancelled. In the May 2019 statement, Mr R is told he's missed payments, and needs to pay £202.47 by 14 June 2019. He duly makes this payment on 7 June 2019.

Given the specific circumstances here, I can only conclude Mr R was aware that 'something' had gone wrong – on the basis he had to make a payment of £202.47 in one month – significantly higher than his usual monthly payment up to that point of around £30 a month. And, he made the payment. So, I think it's reasonable for me to say Mr R was aware there was an issue with his payments. Despite this, there is no evidence he contacted Barclaycard to discuss the issues – or took any other steps to address the balance.

The statements themselves were being sent to Mr R online. I've seen the email address used from when he opened the account – and it's the same one he's used when contacting our service. So, it'd seem this was the correct one – and, in line with the above, it seems Mr R was at least able to find out the balance due somehow. With Barclaycard having no evidence of contact, it'd seem reasonable for me to suggest this happened online.

So, given I think Mr R was able to access his account at this time, and I think he should have known something had gone wrong, it'd have been on him to resolve this matter. I've seen no suggestion Mr R contacted Barclaycard to discuss these points.

I've seen the rest of the statements up to 16 January 2020 – and between March 2019 and January 2020 all the statements are addressed to the correct address. Barclaycard say this shows they had the correct address on their systems.

I'm persuaded by this argument – as I've seen no evidence of an address change until October 2022. And, this is further strengthened by Barclaycard providing copies of the default notice and final demand they sent. These are dated 16 December 2019 and

30 January 2020 respectively. Both of these are addressed to the correct address where Mr R has told us he was living at the time.

These notices make it clear Mr R needed to take action to bring his account up to date – and I've seen no evidence he did. In the circumstances, while I understand Mr R will be very disappointed, I've seen nothing to suggest Barclaycard have treated him unfairly in applying the default. I think Mr R knew or should have known there was a balance on his account which needed repaying, and he'd been sent letters about this as well.

Finally, I can see our Investigator awarded £50 for the inconvenience of Barclaycard recording an incorrect address on Mr R's account in October 2022. I understand Mr R doesn't want this compensation, but I have to decide things on what I think is fair. I do think this could have led to some delays regarding the fraud investigation it seems Mr R instigated at the time. So, I think paying £50 compensation is fair in all the circumstances of this case.

The information I have on file suggests Mr R hasn't completed the fraud disclaimer – so Barclaycard to date haven't been able to investigate this. If he decides he wants to progress this issue, it could result in the default being removed – so he may want to consider this further.

My final decision

For the reasons I've explained above I partially uphold this complaint and require Barclays Bank UK PLC trading as Barclaycard to pay Mr R £50 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 12 April 2024.

Jon Pearce
Ombudsman