

The complaint

Mr S, a sole trader, is unhappy that Barclays Bank UK PLC didn't act on his request for a six-month payment break on his Bounce Back Loan ("BBL").

What happened

Mr S had a six-month Pay-As-You-Grow ("PAYG") payment break applied to his BBL which ended in January 2022, after which time he became liable to make the contractual monthly payment to his BBL.

Mr S says he wrote several letters to Barclays in mid-2022 asking for a second six-month payment break to be applied to his BBL but received no response. Mr S also says he tried to contact Barclays via secure messaging, but the secure messaging system wasn't working. And Mr S says that he also called Barclays on several occasions and was told that someone would call him back about his request, but no call backs from Barclays were ever received.

Instead of applying the requested six-month payment break to Mr S's BBL, Barclays continued to consider the scheduled monthly payments to be due. And because Mr S didn't make his monthly payments – because he wanted a six-month payment break – Barclays considered the BBL to have fallen into arrears. And in July 2023, Barclays defaulted Mr S's BBL for non-payment. Mr S wasn't happy about this, so he raised a complaint.

Barclays responded to Mr S and said that they had no record of receiving any communication attempts from him requesting a six-month payment break on his BBL. Because of this, Barclays didn't feel they'd done anything wrong by administering Mr S's loan as they had. Mr S wasn't satisfied with Barclays response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Barclays had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr S remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

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'd like to begin by confirming that the scope of my review here is limited to the requests that Mr S claims to have made to Barclays for a further six-month payment break on his BBL and with Barclays administration of his BBL after those requests were made.

Mr S has said that he sent a series of six letters to Barclays in mid-2022, all of which asked Barclays for further six-month PAYG payment break to be applied to his loan. Barclays have no record of receiving any of the letters Mr S has said he sent which requested a further payment break. But Barclays did receive letters purporting to be from Mr S about other matters around that time, as well as later letters that were about Mr S's complaint.

Barclays note that the signatures on those letters were significantly different from the signature that they held for Mr S, to the extent that Barclays concluded that those letters hadn't been signed by Mr S but had been signed by an unauthorised third-party such that Barclays couldn't act upon them. I've reviewed the signature on those letters in comparison to the signature that Barclays hold on file for Mr S, and I'm in agreement with Barclays that the signatures are significantly different.

Mr S has provided proof of postage for the letters he sent to Barclays. But the proof of postage that Mr S has sent doesn't confirm the address that post was sent to. Additionally, I've inputted the tracking numbers provided into the relevant web-portal, and they relate to post sent on 29 November 2023 – four months after the BBL was defaulted in July 2023 and approximately 18 months later than the letters Mr S said he sent to Barclays in mid-2022.

It seems clear then that Mr S and Barclays have different views on what happened here. And I don't feel that any evidence has been presented to me which definitively confirms or refutes either Mr S's or Barclays position.

In circumstances such as this, I must decide which of the two versions of events I feel is most likely to have happened, on balance, and in consideration of all the information I have available to me. And in this instance, I feel it's more likely that Barclays didn't receive the letters that Mr S has said that he sent. And I also feel that even if Barclays had received those letters, they would likely have been signed in the same manner as other letters received by Barclays purporting to be from Mr S around that time, such that Barclays wouldn't have been reasonably able to act upon them.

Mr S has explained to this service that he is often overseas for long periods. In consideration of this point, I asked Mr S about the letters that Barclays had received – which include letters 'signed on behalf of' Mr S – and asked whether Mr S was asking a third-party to write to Barclays on his behalf while he was overseas. And I did so because I felt that this might explain the signature disparity that Barclays have concerns about.

Mr S didn't directly answer my specific question about his being overseas but stated that all letters in his name had been signed by himself, and that any letters signed on his behalf had been signed by his mother with his prior approval. And Mr S has asked why, if Barclays had concerns about the signatures on the letters they'd received, they didn't contact him about this and ask him to update his signature with them.

But I don't feel it's unreasonable for Barclays to have expected Mr S to have contacted them by other channels (which, as will be discussed later, Barclays have no record of) if he had sent the letters in question but had received no response. And it must be noted that if Mr S would like a third-party to have authority to act on or discuss his account with Barclays, he needs to formally arrange that with Barclays directly, which he hasn't done.

Fundamentally however, I feel that the key issue here is that Mr S didn't make the monthly payments to his BBL as he was contractually required to. And while Mr S has explained that tried to contact Barclays to request a further PAYG payment break, he didn't succeed in contacting Barclays, and importantly he didn't receive any confirmation from Barclays that any such payment break had been approved or applied to his BBL.

Mr S has said that he tried to contact Barclays by secure message, but that the service was no longer available to him, and also by telephone. And Mr S has said that he spoke with several Barclays agents who couldn't help him and promised that he would be called back by someone who could, which then never happened.

But Barclays don't have any record of receiving any calls from Mr S in mid-2022 as he

claims. Additionally, PAYG payment breaks could be applied for online or in Barclays mobile banking app. And this information was widely understood by Barclays staff as well as being available online. And because of this, I feel that if Mr S had called Barclays and requested a PAYG payment break, this would in all likelihood have been explained to him.

Ultimately, if Mr S's letters weren't being responded to, and if he was unable to contact Barclays by secure message, then I would expect to see a clear record of Mr S having called Barclays or gone into branch to request a further PAYG payment break on his BBL, if he wasn't aware of how he could apply for one. But no record of Mr S making such calls or visiting Barclays branch around that time exists. And I find this to be persuasive.

Because of this, I feel that Mr S did stop making the contractually required monthly payments towards the BBL without obtaining any formal authorisation or permission from Barclays to do so. And so, I don't feel that Barclays have acted unfairly by following the loan arrears process which eventually resulted in the defaulting of Mr S's account.

Regarding the arrears that accrued on Mr S's BBL because he stopped making the contractually required payments towards it, I'm satisfied that Barclays did send missed payment letters to Mr S starting from when he missed the first payment. These letters notified Mr S that a contractually required payment to the BBL hadn't been made. And I feel that this should have further alerted Mr S to the fact that no PAYG payment break had been approved on his loan.

Finally, in his response to the view of this complaint put forwards by our investigator, Mr S has made several further points of complaint about matters that took place before the events under consideration here. This includes that Barclays secure messaging service has been unavailable for him for over three years and that he tried to add his mother as an authorised party on his account roughly five years ago.

However, as alluded to at the beginning of this section, this service can only consider points of complaint that have been referred to the respondent business and which that business has had the opportunity to formally consider and respond to. And in this instance, Barclays complaint response letter which gave Mr S the right to refer his complaint to this service was only in relation to Mr S's attempts to obtain a further six-month PAYG payment break on his BBL and wasn't in response to any of the earlier points of complaint which Mr S now raises.

Because of this, I feel that these further points of complaint sit outside the scope of what I can consider here. I can therefore only refer Mr S to Barclays to raise these further points of complaint with them directly, so that Barclays can formally consider and respond to them. After which time, Mr S may have the right to refer those further points of complaint to this service, should he wish to do so.

Alternatively, if Mr S isn't raising these points as further points of complaint but raises them does so in support of his points of complaint that I am able to consider here, then I can confirm that these points don't change my view on this complaint. This is because it remains my position, in consideration of this further supporting information, that it was ultimately for Mr S to have ensured – and not to have assumed – that he had successfully applied for a further PAYG payment break before he stopped making the contractually required BBL payments, regardless of any inconvenience this may have entailed.

All of which means that I don't feel that Barclays have acted unfairly towards Mr S as he contends here. Rather, I feel that it was fair and reasonable for Barclays to consider Mr S's BBL to have fallen into arrears and to have then followed the loan arrears process that they did. And it follows from this that I won't be upholding this complaint or instructing Barclays to take any further or alternative action.

I realise this won't be the outcome Mr S was wanting, but I hope that he'll understand, given all that I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 27 May 2024.

Paul Cooper
Ombudsman