

The complaint

Mr V complains that Barclays Bank UK PLC (Barclays) incorrectly reported to the Credit Reference Agencies (CRA) that he had missed a payment on his buy to let mortgage account. As a result, Mr V says he was unable to apply for credit and/or a mortgage which would have led to him saving hundreds if not thousands of pounds over time due to increases in the interest rates.

What happened

Mr V had a buy to let mortgage with Barclays. He found out in December 2022 that Barclays had reported he had missed December's payment, which was incorrect. He said this had happened on two previous occasions since 2020.

Mr V said he had been looking to consolidate some of his debt and had been unable to proceed due to his credit rating being impacted and his credit limit reduced. He also says this has negatively impacted on his mental health state and his family.

Barclays said it had looked into the complaint issues and found that an internal delay in the application of his December payment had caused adverse data to be reported to the CRAs for not just him but a number of their customers. Barclays said that they had cleansed all impacted customers credit files and that Mr V's credit file was now accurate and back to the correct position. In recognition of their error, Barclays offered Mr V £300 compensation for the inconvenience and distress caused.

Mr V was unhappy with Barclays' final response and so approached this service to see if we could assist in resolving the dispute. Our investigator thought that although there had been poor service, the amount of compensation Barclays offered was enough to put things right.

Mr V didn't agree and asked for the complaint to be passed 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 know the parties went into a lot more detail. I'm going to focus on what I think are the key issues. Our rules allow me to do this and it reflects the nature of our service as an informal alternative to the courts. So, if there's something I've not mentioned, it isn't because I've ignored it, it's because I don't need to comment on every individual argument to be able to reach what I think is the right outcome.

I've taken account of both sides' views and I've looked at the issues raised and considered all the available evidence. Where evidence is not complete, I think about what is more likely to have happened in the light of the evidence which is available.

The accepted facts are that in December 2022 Barclays mis-reported a missed payment by Mr V to the CRAs. They have accepted that was due to an internal error which should not have occurred, and they have attempted to put Mr V back in the position he was by first removing the adverse data and secondly offering him £300 in compensation.

This is the third time that Barclays incorrectly reported adverse information to the CRA's. Mr V has produced evidence following his Data Subject Access Request of two emails dated 1 June 2020 and 7 January 2021, from Barclays to himself, showing he was paid £500 and £300 compensation respectively for almost identical complaints. I feel these two prior incidents cannot be overlooked since it reveals an existing fault that had not been remedied. To that extent, a third error only aggravates the overall poor service delivered.

I also take into account that Mr V's credit file on this occasion was put back into its correct position by 22 March 2023, so the period of time his credit file was incorrect, was thankfully not too long.

I have noted that Mr V has said he was unable to take advantage of other financial products due to his adverse credit rating, but he has produced no evidence of such a negative impact, such as confirmation of an application being turned down, or evidence of reduced credit, so I cannot be persuaded that he was. That said his credit rating was adversely affected for a short period.

Putting things right

I issued my provisional decision on 18 February 2024 inviting representations and further comments from both parties. Barclays replied accepting my provisional decision. Mr V also replied to say that he had logged another complaint with Barclays as the issue had arisen again. He did not consider the award of £350 was satisfactory and said when taking into account the hours he had spent on the complaint, such an award would not reach the minimum hourly wage. I do recognise that Mr V will have spent his time on making this complaint, but I do not consider that the appropriate way to measure upset and inconvenience is by adopting an hourly rate. I have taken into account the fact that he will have been put to inconvenience in making this complaint.

In the light of this I do not consider that my provisional view should change, and I am satisfied that the award I have suggested is in line with the examples one can find on our website.

I've given further thought to assess whether our investigators suggestion of £300 compensation was fair and reasonable. It is important to remember that there is no set figure for compensatory awards, since the facts of each case are different. Ultimately it is an exercise of judgement, looking at all the circumstances and coming to a figure which feels fair, when set against the effect of any failures in service on the person bringing the complaint. When we make awards of compensation we categorise them, examples of which can be found on our website.

The second category provides; *'An award .. of up to £300' is usually applicable when an error has caused frustration and annoyance more than you might reasonably expect from day-to-day life, and the impact has been more than just minimal.*

This I feel is too low given the aggravating factor of the prior occurrences, which I think elevates the complaint, just, into the third category. So, having weighed up all these factors, I think the Barclays should pay Mr V £350 as recompense for the service failures and upset caused.

My final decision

My final decision is that Barclays Bank UK PLC should pay Mr V £350

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 18 April 2024.

Jonathan Willis
Ombudsman