

The complaint

Mr M complains about being chased by a debt collection agency (DCA) about a debt with Barclays Bank UK PLC (Barclays).

What happened

Mr M has a current account with Barclays. In May 2023 and June 2023, he got letters from a debt collection agency (DCA) concerning a debt with Barclaycard. He says the firm had no right to sell the debt to a DCA, and he didn't recognise the debt to Barclaycard.

He called Barclays on 28 June 2023 to say this. Barclays said they'd investigate this and called Mr M four times in July 2023.

Barclays then sent a final response on 10 October 2023 to say they couldn't locate a debt in Mr M's name and couldn't explain why he had been contacted by the DCA.

Mr M brought his complaint to us. Our investigator contacted Barclays to find out what had happened. Barclays then looked into the matter again and discovered a Barclaycard account in Mr M's name. The bank had made an error when researching his complaint and hadn't found the Barclaycard account. He could see that Barclaycard had written to Mr M in 2016 about the account defaulting and the letters said the debt could be transferred to a DCA.

Our investigator therefore said Barclays should pay compensation of £50 for the error in not locating the account when they issued the final response.

But during our investigation, Mr M said he hadn't applied for a Barclaycard and the debt wasn't his. This was a new complaint point and our investigator said that it hadn't been referred to us – and it was now for Barclays to investigate this further point raised by Mr M.

Mr M didn't agree – he wanted his complaint to be looked into by an ombudsman, and so it has come to me to do that. **(continued)**

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.

It's important to say that my decision is only about the complaint brought to us by Mr M – that he'd been contacted by a DCA about a debt he didn't recognise. So – I looked at what happened only in that respect.

I can see that there did seem to be a debt in Mr M's name with Barclaycard. Statements sent to Mr M's address in October 2014 show the balance was £1,032 and the limit was £800. I can see there was a late payment fee and overlimit fee charged in September 2014. Mr M was making payments to the card at that time – so it appears he was acknowledging there was a credit card and a debt.

I can also see that Barclaycard wrote to him about the debt in May 2016, June 2016 and sent him a default notice on 20 July 2016. In August 2016, a default was registered.

The letters say that the debt could be passed to a DCA to collect, and that Mr M's credit file could be marked. So – as far as Mr M's complaint is concerned, I'm satisfied that Barclays could sell the debt to a DCA – this is the complaint that Mr M has referred to us.

Mr M called Barclays on 28 July 2023 about the letters he'd had from the DCA. I listened to the call, and the call handler said the debt seemed to be a Barclaycard debt. And she said that Barclays would go ahead and investigate Mr M's claim that the debt wasn't his. The call handler said they'd write to Mr M. I can see that Barclays called Mr M four times in July 2023 – about his claim. But he didn't apparently answer his phone and the matter seems to have then been dropped, with no investigation having taken place – and a letter wasn't sent.

Barclays' final response then said they could not trace a debt in Mr M's name – and this was an error on the bank's part. I can quite see that this caused Mr M some stress and anxiety. And for this error – I agree that Barclays should pay compensation of £50 (as our investigator recommended). And this decision directs Barclays to pay that.

But as far as Mr M's further complaint is concerned - that the debt isn't his and he didn't apply for a Barclaycard - this should now be properly investigated by Barclays and a final response sent to Mr M as soon as possible. It's part of the complaints process set down by the Financial Conduct Authority (FCA) that a firm must have the chance to properly investigate a complaint before it is referred to us.

If Mr M is not then satisfied with Barclays' investigation outcome – he can then refer that complaint to this service for us to look into.

Putting things right

Barclays should pay compensation of £50; and we ask the firm to now investigate Mr M's further complaint which is:

- He says didn't apply for a Barclaycard.
- He says he isn't responsible for that debt.

My final decision

I uphold this complaint. Barclays Bank UK PLC must:

- Pay £50 for distress and inconvenience.

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

Martin Lord
Ombudsman