

The complaint

Mr C complains that Barclays Bank UK PLC, trading as Barclaycard, is reporting a default on his credit file which is also being reported by the new owner of the debt, P. This makes it appear Mr C has two defaults instead of one.

What happened

Mr C had a credit card account with Barclaycard. The account went into default and the debt was sold on to a debt management company, P. Mr C brought a complaint to Barclaycard. He said two credit reference agencies (CRAs) were reporting that the Barclaycard default was on 28 September 2021 and the date P reported the default was showing as 28 October 2021. He said it now appears he has two defaults registered against him for the same account.

In its final response Barclaycard said Mr C's account was registered with a default on 28 October 2021 due to several consecutive missed payments. It said a letter was also issued to him the same date to confirm this.

Mr C wasn't happy and brought his complaint to this service. He said Barclaycard wasn't accepting responsibility for providing incorrect data to the CRAs. He said the CRAs refuse to remove the second default without guidance from either Barclaycard or P. Mr C said P wouldn't accept responsibility because it said it was told the date by Barclaycard.

Mr C said his credit score has been doubly affected as it shows two defaults. He said this had cost him over £400,000 due to inability to refinance. He wanted Barclaycard to ensure that all data held by the CRAs was correct and to financially compensate him.

Our investigator concluded that Barclaycard was reporting Mr C's account correctly. He explained that while there were two defaulted entries showing on Mr C's credit file this was correct as per the regulator's guidance.

Mr C didn't agree and asked for a decision from an ombudsman. He made some additional remarks which I have responded to below where appropriate.

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 realise this will come as a disappointment to Mr C but having done so I won't be asking Barclaycard to do anything further. I can appreciate Mr C's frustration with being stuck in the middle of Barclaycard, P and the CRAs through no fault of his own. But my decision is solely concerned with the actions of Barclaycard and not P or the CRAs.

I trust Mr C won't take it as a discourtesy that I've condensed the complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Although I've read and considered the whole file, I'll

keep my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've not considered it but because I don't think I need to comment on it to reach the right outcome.

There doesn't appear to be any dispute that Barclaycard assigned the account to P after it had already been defaulted. Barclaycard and P, as the new owner of the account, have a duty to report accurate information to the credit reference agencies.

In deciding what I believe to be fair and reasonable in all the circumstances, I'm required to consider relevant law, rules, guidance, codes of practice as well as what I consider to have been good industry practice at the time.

In respect of information held by CRAs the Information Commissioner's Office (ICO) states:

"One of my defaulted accounts has been sold on to a debt collection company. This debt is now appearing twice on my credit file. Is this right?"

If it is clear from looking at the two entries that they relate to the same account, with the same default date and balances and the original debt is clearly showing as settled then it is likely that we would consider this to be fair in terms of the data protection law. However, if the entries are recorded on your credit file in a way that may look like they are two different debts, or that could make the debt remain on your credit file for longer than six years from the date of the original default it is unlikely that we would consider this to be fair."

Mr C has provided a copy of his credit file from one CRA, F. On F's report the following data is recorded:

Company	Status	Default balance	Current balance	Start date	Date satisfied	Default date
Barclaycard	Settled	£13,805	0	28 Apr 2005	28 Oct 2021	28 Oct 2021
P	Default	£13,805	£13,805	28 Apr 2005	N/A	28 Oct 2021

Barclaycard has said it registered Mr C's account with a default on 28 October 2021 to CRA's. This information is reflected in the data from the credit file supplied by Mr C. And I'm satisfied the data relating to Barclaycard and P fairly reflects the guidance from the ICO. And I'm persuaded the entries are recorded in a way which shows they relate to the same account.

Mr C has expressed concern that a default is showing for September in the Barclaycard account information. I believe Mr C is referring to the Payment History section which is a monthly payment table. I can see the letter 'D' for Default showing for both the month of September and October 2021. It's not clear to me why there would be a D in the September box. As I mentioned above Barclaycard has said it reported the default date of 28 October to the CRAs and I've not seen any evidence to suggest otherwise. I've also seen a copy of the default letter sent to Mr C which is dated 28 October.

Mr C provided a screen shot of the default from a third-party report, S. I can see in summary a Barclaycard default in September and a default registered by P in October. S is not a credit

reference agency itself. It uses data from F to build credit reports for consumers for free. So I think it possible it reported the 'D' from the payment history section not the 'Default Date' section though I can't say for certain. Lenders will use data from the CRAs (including F) and not from the report he obtained from S.

Mr C has said he believes Barclaycard made a mistake originally in the information provided to the CRA by sending the September date. He said it then issued a partial correction which overwrote the data but failed to correct or instruct the CRA to correct the history. He said as it hasn't fully corrected the data, as data controllers, it is Barclaycard who is in breach. I understand what Mr C is saying but I've seen no evidence that Barclaycard provided the incorrect month. Barclaycard has provided the date of 28 October and this is reflected in the Date Satisfied and Default Date. It seems more likely to me that F has incorrectly marked a D for September. A question Mr C may wish to ask F is - if Barclaycard has reported the settled and default dates as 28 October on what basis is F showing a default in the September box?

I'm satisfied Barclaycard hasn't incorrectly reported additional defaults on Mr C's account to the CRAs. And I'm also satisfied it reported the correct date of the default. For the reasons set out above I'm unable to find that Barclaycard has made an error in how it reported the default.

If Mr C remains concerned he may wish to add a Notice of Correction to the entry on his credit file. This is a statement explaining a situation/record which will be seen by any future lenders and should be taken into consideration if he applies for credit.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 25 November 2024.

Maxine Sutton
Ombudsman