

The complaint

Mr E complains that Barclays Bank UK PLC trading as Barclaycard unfairly closed his credit card.

What happened

Mr E's told us he held a Barclaycard for many years and has generally made the minimum payment each month. Barclaycard says that in June 2022 it wrote to Mr E as it had identified his credit card was in a persistent debt position. Barclaycard says it sent Mr E emails and letters with further information about the position of his credit card balance and ways of repaying it quicker during 2022 and 2023. In March 2023, Barclaycard sent a letter to Mr E and explained that his monthly payments weren't enough to bring the account out of the persistent debt position it was in. The letter explained that if Barclaycard didn't hear back from Mr E by December 2023 to discuss his account it would contact him again and may suspend the credit card.

In January 2024 Barclaycard wrote to Mr E and said his account had now been in persistent debt for at least three years and offered to discuss a paydown plan to reduce the balance. The letter explained Mr E's card would be suspended in March 2024 if no action was taken. On 5 February 2024 Mr E made a payment of £398 to clear the balance of his credit card. Mr E's explained he thought the credit card would be closed at that point.

Barclaycard says that because Mr E repaid the balance of his credit card it was no longer in persistent debt. As a result, the account wasn't suspended. Mr E went on to use the credit card for purchases, building up a new outstanding balance.

In April 2024 Barclaycard reviewed Mr E's credit card and wrote to him. Barclaycard said that to help Mr E avoid going back into persistent debt it was closing his credit card. Barclaycard says the credit card would be placed on hold from 11 April 2024 and the account would be closed on 7 June 2024. Barclaycard's letter said Mr E could continue to make payments to the outstanding balance until it was repaid.

Mr E complained to Barclaycard and said it should've closed his credit card after he repaid the balance in February 2024. Barclaycard didn't agree it had made a mistake and explained Mr E's account left the persistent debt position when he repaid the outstanding balance. That meant there was no need to suspend the credit card in March 2024. Barclaycard apologised that Mr E hadn't been able to complete a purchase but explained that, by that point, his account had been closed to new spending, Barclaycard didn't uphold Mr E's complaint.

An investigator at this service looked at Mr E's case. They weren't persuaded that Barclaycard had made any mistakes or treated Mr E unfairly and didn't ask it to take any further action. Mr E asked to appeal and said he'd cleared the balance in February 2024 but the credit card wasn't suspended in March 2024. As Mr E asked to appeal, his complaint has been passed to me to make a 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I can see that Mr E was concerned after receiving Barclaycard's contact in January 2024 that indicated it could suspend his credit card if repayments remained at the same level. Barclaycard's letter explained that if Mr E had options to help reduce his balance faster, including a paydown plan and reduction in interest. In response to the letter, Mr E's explained he decided to repay the outstanding balance in full. That meant there was no need to agree a paydown plan or any other arrangements to repay the outstanding balance.

I take Mr E's point that Barclaycard's January 2024 letter indicated it may suspend his credit card in March 2024 if no action was taken. But Mr E took specific action to resolve the persistent debt position of his credit card by repaying the outstanding balance. I'm satisfied that meant there was no need for Barclaycard to suspend the account.

Mr E's told us that by failing to close his account, Barclaycard allowed him to build up a new credit card balance. But I think it's reasonable to say that if Mr E didn't want the credit card any longer, he had the option of contacting Barclaycard after repaying the outstanding balance and asking to close his account. I also think it's reasonable to note that the outstanding balance was built up due Mr E using the credit card for new purchases. I'm sorry to disappoint Mr E but I haven't been persuaded that Barclaycard acted unfairly by taking the decision not to suspend his credit card after he repaid the balance in February 2024. And I haven't seen anything that shows Barclaycard was responsible for the new balance that was subsequently built up.

Barclaycard took the step of reviewing Mr E's account in April 2024 and decided to close it. I understand that was surprise to Mr E after the previous suspension wasn't put in place. But I'm satisfied that Barclaycard is free to review customer accounts at any time and that its decision to close Mr E's credit card was reasonable. Barclaycard gave Mr E reasonable notice of its intention and has confirmed he can continue to make repayments after the account was closed. I'm sorry to disappoint Mr E but I'm satisfied Barclaycard's actions were fair and reasonable in the circumstances of his case.

As I haven't been persuaded that Barclaycard made any mistakes or treated Mr E unfairly, I'm not telling it to do anything else.

My final decision

My decision is that I don't uphold Mr E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 9 September 2024.

Marco Manente
Ombudsman