

## The complaint

Miss S complains about the way she's been treated by Barclays Bank UK PLC trading as Barclaycard. She feels that the bank should've offered her more support since she notified them about her financial and health issues in 2021.

## What happened

Miss S holds a Barclaycard credit card account. In 2021 Miss S experienced some financial and health issues, which she says she notified Barclaycard about.

Miss S says that Barclaycard offered her a payment plan in 2022 but she didn't want to take this up because of the negative impact it would've had on her credit score.

Miss S says she's been in contact with Barclaycard since 2021 about her financial and health issues but she's unhappy that these issues weren't noted on her file until 2023.

Miss S says she's making payments to her account every month, but a large proportion of each payment is taken up by interest, Miss S says she's told Barclaycard several times that she can't afford to pay and has asked for interest to be removed from 2021 when she first notified Barclaycard about her financial and health issues.

Miss S complained to Barclaycard about this. Barclaycard didn't uphold the complaint. It said that interest had been correctly calculated. It said it had sent persistent debt letters to Miss S because she had paid more in interest, fees and charges than she had paid off the principal balance in the last 18 months. Barclaycard said it had previously refunded £391.72 to the account as a goodwill gesture and had advised on ways that Miss S could manage the account including setting up a plan.

Miss S remained unhappy and brought her complaint to this service.

Following the referral of the complaint to this service, Barclaycard made an offer to settle the complaint. It said it couldn't find any notes from 2021, but said if Miss S had mentioned any vulnerability, this should've been logged at the time. Barclaycard said that having looked at the account, the vulnerability hadn't been added until 2023. It said this wouldn't have changed the outcome of Miss S's complaint. But it acknowledged that it should ensure that all accounts are correctly noted and offered compensation of £150 by way of apology. Barclaycard said it couldn't do what Miss S had asked it to do because it couldn't offer a payment arrangement or repayment plan (whereby interest would be suspended) without notifying the credit reference agencies.

Our investigator said the offer was fair. He said that this service wouldn't expect a bank to freeze interest and charges on an account and for this information not to be accurately recorded with the credit reference agencies. The investigator said the bank should've added notes to Miss S's account which accurately reflected the conversations she'd had with them but said that overall, the failure to add notes in 2021 hadn't made a difference to the outcome because Miss S didn't want any adverse information recorded on her credit file, and so wasn't prepared to enter into a payment plan.

Miss S said she wasn't prepared to accept the offer, so the investigator carried out a full investigation into the complaint.

Our investigator partially upheld the complaint. He said he thought Barclaycard could've provided Miss S with a better level of service when she notified them about her health issues, and said it was fair that the bank should pay compensation for this and said the compensation should be increased to £250. The investigator said he didn't think Barclaycard should be obliged to freeze interest and charges without Miss S's credit file being impacted, despite her ongoing health issues.

Miss S didn't agree and neither did Barclaycard, so I've been asked to review the complaint.

### **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 sorry to hear about Miss S's financial and health issues. It's clear from what she's said that she's finding the situation with Barclaycard very stressful.

Miss S told Barclaycard about her financial and health issues in 2021. Since then, she's asked Barclaycard several times to freeze interest and charges on her account. Barclaycard has explained to Miss S that it can't freeze interest and charges without agreeing a payment plan with Miss S and notifying the credit reference agencies. Miss S has refused to enter a payment plan on the basis that it would negatively impact her credit file.

I'll address the issue of Miss S's health first. Generally, when a consumer tells a business that they have health issues of the kind that Miss S has, we'd expect the business to make a note of this on the consumer's file and, in appropriate cases, offer the consumer the option to speak to a dedicated team and offer support if needed. In Miss S's case, Barclaycard couldn't show that it had made a note of Miss S's vulnerabilities in 2021 when she first contacted them about it. It has acknowledged that Miss S's vulnerability should've been noted on the account and has apologised for the fact that this wasn't done until 2023.

I've thought about the impact of Miss S's vulnerability not being noted when it should've been. On one analysis, Miss S has lost out on the opportunity to speak to a dedicated team for around two years from 2021 to 2023. It's possible – although I can't say for certain – that if Miss S had been given the opportunity to speak to a dedicated team, she might have made different decisions about her account.

That said, Miss S's vulnerability has been noted on her file since 2023 and I can see that the bank has offered appropriate support. And although Miss S has been in contact with the bank throughout this time, I haven't seen any evidence to suggest that she's asked for specific support relating to her vulnerabilities.

What Miss S says is that she asked for support in the form of a request that Barclaycard suspend interest and charges on her account. She says that Barclaycard hasn't supported her because it won't do what she has asked it to do.

I understand the point that Miss S makes. However, I don't agree that, just because the bank won't do what Miss S has asked it to do, it can fairly be said that the bank hasn't offered support. The issue here is that the bank has offered Miss S the option of a payment plan, which would include the freezing of interest and charges. But Miss S doesn't want to enter a payment plan if it's going to be reported to the credit reference agencies, because she is worried about the impact on her credit file.

All lenders – including Barclaycard – are under an obligation to report accurate information to the credit reference agencies. Where a consumer is in a payment plan which involves paying less than the monthly minimum payment, the lender must report this to the credit reference agencies. It doesn't have a choice about whether it reports this.

Because of this, I'm unable to say that the bank hasn't offered appropriate support to Miss S. And I don't think the bank has treated Miss S unfairly.

However, I do think the bank made an error when it didn't add a vulnerability marker to Miss S's account in 2021. I agree with the investigator that the bank should pay compensation for this error, and I think the sum of £250 is fair and reasonable to reflect the distress and inconvenience caused to Miss S by this error.

Miss S has provided this service with a significant amount of medical information. It's clear that her health situation hasn't really improved since 2021. Miss S has said that if interest and charges were suspended, she thinks she'd be able to repay the balance. I've explained above why this can't happen unless the credit reference agencies are notified and I appreciate that Miss S doesn't want this. It may be that Miss S's account is one which is suitable for a medical write off, but in order to progress this, Miss S will need to contact Barclaycard and provide whatever medical evidence they reasonably require. This is something that Miss S may wish to consider going forwards. There is no guarantee that the debt will be written off. This is a decision for Barclaycard to make, based on the available evidence.

### **Putting things right**

To put things right, Barclays Bank UK PLC must pay compensation of £250 to Miss S for the error in not adding a vulnerability marker to her account in 2021.

### **My final decision**

My final decision is that I partially uphold the complaint. Barclays Bank UK PLC must take the steps I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 29 August 2024.

Emma Davy  
**Ombudsman**