

The complaint

Mr B is unhappy with the length of time that Barclays Bank UK PLC trading as Barclaycard took to update his credit file after he made a large payment.

What happened

In January 2024, Mr B made two payments to Barclaycard totalling £6,200. In early February 2024, he asked Barclaycard to update his credit file to reflect the payments it had received. Mr B says that despite speaking to various advisors, Barclaycard refused to speed the process up. Mr B says that because his credit file wasn't updated, his credit score remained lower. This is because Mr B had taken out a consolidation loan to pay off some of his other credit commitments. So, it appeared he had even more debt in his name.

Barclaycard told Mr B that it sends monthly updates to the credit reference agencies (CRAs) on the 14th day of each month. Barclaycard produced Mr B's statement on 9 January 2024 and received his payments of £6,000 and £200 later in January 2024. So, when Barclaycard reported the account balance to the CRAs in mid-February 2024, it didn't reflect the £6,200 received. This would not happen until Barclaycard reported the information from his February 2024 statement to the CRAs in March 2024.

Barclaycard paid a total of £75 to apologise for any failings in the way it dealt with Mr B but he would like it to pay at least £500. Mr B is also unhappy with the way that Barclaycard oversaw his complaint and wants it to make improvements.

Our investigator didn't uphold Mr B's complaint. They explained that the payments that Mr B made of £6,000 and £200 on 22 and 29 January 2024 appeared on his February 2024 statement. So, Barclaycard correctly reported this data to the CRAs on 14 March 2024.

Our investigator appreciated that Mr B wanted Barclaycard to report the data sooner than it did but didn't think it was obliged to act outside its standard reporting process. Our investigator agreed that the level of customer service Mr B received fell short but thought £75 was fair compensation.

Mr B was unhappy with the investigation outcome. He said Barclaycard can update credit files more than once a month. He thought that a large payment should have been updated in a timely manner and that Barclaycard should have made reasonable efforts to do this when he asked.

Mr B said that Barclaycard needs to keep customer's information up to date and didn't think two months was a reasonable timescale to have to wait for a significant payment to reflect on a credit file. He said his credit score has fallen from good to fair.

Mr B found it difficult and time consuming to raise his complaint with Barclaycard and was unhappy that it closed the complaint without a resolution.

As Mr B remained unhappy about the outcome, the complaint came to me to decide.

As I was minded to uphold the complaint and require Barclaycard to pay more compensation, I issued a provisional decision on 16 July 2024 in which I said:

I'm aware I've summarised 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 the 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. The rules that govern our service allow me to take this approach.

After reviewing everything on file, I thought that Barclaycard had given us conflicting information about when it updated Mr B's credit file. So, I asked our investigator to go back for clarification.

In response to our further queries, Barclaycard has explained that as Mr B made the two payments totalling £6,200 before the end of January 2024, it captured them within the January 2024 data that it submitted to the CRAs on 14 February 2024. I appreciate that this contradicts the information Barclaycard gave to Mr B during various calls and in its final response. But as we asked Barclaycard to double-check the date, I think it's reasonable to assume the information about the dates is correct.

I have listened to all the call recordings that Barclaycard has sent to us. Although Mr B says he spoke to Barclaycard on 10 February 2024, it does not have any record of this. The calls made available to us are dated 3, 19, 20, 26 and 27 February 2024. That being said, Mr B's recollection of the discussions he had with Barclaycard appear accurate. And he refers on more than one occasion to the calls that he had with Barclaycard on 10 February 2024. So, the fact that it doesn't have a record of this contact, does not mean that the calls did not happen as Mr B says they did.

Mr B spent almost two hours on the calls for which we have recordings and another hour and a half using the online chat function. During the call on 3 February 2024, Barclaycard told Mr B that the payments would update on his credit file within a few days. So, it's understandable that Mr B expected to shortly see a change on his credit file. This was incorrect information as the payments were not reported until 14 February 2024. I think by not properly explaining this to Mr B, he was caused unnecessary inconvenience when he had to contact Barclaycard again to find out what was happening.

As Barclaycard reported the payments to the CRAs on 14 February 2024, it could have explained this to Mr B and then managed his expectations by explaining that the CRAs first check the information before updating their records. So, Mr B may not have felt the need to keep contacting Barclaycard as he did. Or instead, could have focussed on finding out from the CRAs why there may have been a delay updating his credit file with the information supplied by Barclaycard.

I think that by giving the wrong information about when it would report the payments – either saying that it was due to happen in a few days or that it would not happen until mid-March 2024 - Barclaycard caused Mr B unnecessary confusion and inconvenience. It also kept telling Mr B that it could not speed the process up when this was not correct. Barclaycard has since confirmed that it can request a rapid update subject to the request not being made between the 30th of the month and the 13th of the next month. Again, I think being told it was not possible to report information outside of the usual timeframe, led to unnecessary frustration for Mr B.

Barclaycard has already paid Mr B £75 to apologise for the handling of his complaint but I don't think this goes far enough to recognise the inconvenience caused to him. If Barclaycard had given Mr B the correct information sooner, it seems likely he would not have needed to spend so much time contacting Barclaycard. For these failings, which led to Mr B spending several hours on calls, online chat, and his complaint, I think an award totalling £250 is fair.

An award of this size sits towards the top end of the range of award we might make where the mistake has taken a reasonable amount of effort to resolve and has caused some inconvenience and distress. This award includes any compensation already paid. So, if Mr B accepts my decision, Barclaycard would have to pay a further £175 on top of the £75 it has already paid.

I have not asked Barclaycard to compensate Mr B for the impact on his credit file for a few reasons:

- As Barclaycard reported the two payments to the CRAs on 14 February 2024, I don't consider there was any delay. This could not have happened any sooner because by the time Mr B contacted Barclaycard in early February 2024, a rapid update would not have been allowed as the data would be overridden by the monthly data reported on 14 February 2024.
- It was always possible that the consolidation loan would be reported to the CRAs before Barclaycard updated his account data. So, I can't say that Barclaycard was responsible for the fact that Mr B's credit file showed both the outstanding credit card balance and the consolidation loan at the same time.
- Taking on new credit – regardless of the fact that Mr B used it to consolidate his other borrowing – can negatively impact a consumer's credit file.

So, for all these reasons, I don't consider Barclaycard is responsible for any decrease in Mr B's credit score.

If Mr B remains concerned with the time it took the CRAs to update his credit file, I suggest he contact them

Further submissions

Barclaycard agrees to my provisional decision. Mr B says he reluctantly accepts my provisional decision but still thinks Barclaycard should pay more to reflect the frustration and inconvenience caused to him.

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 appreciate Mr B's position that Barclaycard should pay more compensation than I outlined in my provisional decision. For the reasons set out above, I still consider an award of £250 is fair. So, I am pleased to see that Mr B accepts my provisional decision – albeit reluctantly. As both parties accept, I consider it fair to make my final decision along the same lines as my provisional decision.

My final decision

My final decision is that I uphold this complaint. In full and final settlement, I require Barclays Bank UK PLC trading as Barclaycard to pay Mr B £250 compensation from which it can deduct any compensation already paid for this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 28 August 2024.

Gemma Bowen
Ombudsman