

## **The complaint**

Mr A has complained that Barclays Bank UK PLC (trading as Barclaycard) failed to implement the PPI policy he had attached to his credit card account when he went into arrears.

## **What happened**

Mr A first went into arrears on his credit card in June 2022. As he didn't make up the arrears, the account and the PPI policy were closed in October 2022 and the debt was then sold to a third party in November 2022.

Mr A says he spoke to Barclays on a number of occasions and each time it denied that he had a PPI policy.

Barclays said that the first contact Mr A made was in March 2023.

Our investigator didn't think Barclays had done anything wrong. Mr A disagrees and so the complaint has been passed to me for 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.

Barclays started writing to Mr A shortly after he missed his June 2022 payment on the credit card. As he failed to bring the account up to date, it continued to write to him on a regular basis.

Mr A says he spoke to Barclays on several occasions prior to 25 July 2022. Barclays has no record of this. I'm not surprised that it no longer has the call recordings, but I would expect it to have a log of the calls if they occurred.

Mr A says he was told he didn't have PPI. But he's also said that he thought the PPI would automatically 'kick in' if he went into arrears. Clearly, these two statements are slightly at odds with each other. If Barclays was incorrectly telling him that he didn't have PPI, then he would have no reason to suppose that it would kick in.

Besides this, Mr A was getting regular letters about the arrears until 28 October 2022 when he received a letter telling him that the account had defaulted and the whole amount had now become payable. Upon receiving these letters, it would have been apparent to Mr A that the PPI hadn't been activated to cover his monthly payments and clear his arrears.

Based on the available evidence, I'm not persuaded that Mr A made contact with Barclays during this period. It seems that he finally contacted Barclays in March 2023 after speaking with the third party who now owned the debt.

Had Mr A contacted Barclays earlier to discuss the reason for his arrears, then I might say that it should have informed him that he had a PPI policy that he might be able to claim on. But as he didn't speak to Barclays, it would have had no idea of the reasons for his non-payment.

There's no insurance policy that would just kick in. A policyholder would always need to make a claim to the insurer. Then, if it is assessed that an insured risk has occurred, the policy would pay out.

Mr A says Barclays sent him a letter acknowledging it had made a mistake, accepted that he did have a PPI policy and that it took full responsibility. However, that is not the case.

In the final response letter dated 1 August 2023, Barclays simply said that, although he had held PPI, it wouldn't automatically take effect to cover payments when the account became overdue. It did not say that it had previously incorrectly advised him that he didn't have PPI.

The only error that Barclays acknowledges is that its adviser failed to get to grips with what Mr A was talking about when he rang on 8 March 2023. This is in relation to Mr A saying he'd had a discussion with the third party about having PPI on the account. The adviser can no longer see any of the account details as the debt has been sold on. However, she misunderstands him anyway and talks about how the debt would need to be transferred back to Barclays if Mr A wants to deal direct with Barclays and if that's what he and the third party want. Barclays apologised for this misunderstanding.

Based on the above, I'm unable to conclude that Barclays has done anything wrong. I'm unaware of Mr A's full circumstances, so I don't know if any claim he were to make on the policy would be successful. Nevertheless, he would have needed to make a claim on the policy prior to October 2022 to potentially avoid the account being closed at that time. Had he spoken to Barclays earlier, it could have told him about the process he would need to follow, but he did not do so. Barclays followed all of the necessary steps in terms of the collections process and I can't hold it responsible for Mr A not getting in touch to discuss his options. It follows that I do not uphold the complaint.

As has previously been mentioned to Mr A, he may wish to contact the insurer now to make a retrospective claim. If he were to do so and the claim was accepted, I would expect the insurer to look behind the reasons for the policy being cancelled in October 2022 to see if it would be appropriate for the claim to pay out beyond that point.

### **My final decision**

For the reasons set out above, I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 November 2024.

Carole Clark  
**Ombudsman**