

The complaint

Mr T complains that Barclays Bank UK PLC trading as Barclaycard hasn't provided the service it should have when he requested an affordable repayment plan. He wants an affordable repayment plan put in place and his credit file amended.

What happened

Mr T contacted Barclaycard to inform it of his medical condition and to say he wanted to reduce his monthly payments. He was told he would need to complete an income and expenditure form and he said if this didn't arrive before his next payment was due, he would pay the amount he could afford. Mr T cancelled his direct debit and paid £50. Mr T says he continued to pay this amount and completed the income and expenditure form but needed to return this three times. Mr T was then told he couldn't afford the £50 a month repayment and Barclaycard wouldn't set up a new repayment plan. He says he was then expected to pay a much higher monthly amount and his credit file has been damaged as missed payments have been reported when he has been paying what he can afford.

Barclaycard issued a final response letter dated 10 June 2024. It said that the income and expenditure form Mr T completed showed he had a monthly deficit and so it couldn't agree a repayment plan as this could place him in further financial difficulties. It provided details of organisations that could assist Mr T. It said it had an obligation to report accurate information to the credit reference agencies and didn't agree that it had done anything wrong in regard to this.

Mr T referred his complaint to this service.

Our investigator explained that Barclaycard could only offer repayment arrangements that were affordable and as Mr T had no disposable income it hadn't done anything wrong by not agreeing to an arrangement. She noted Barclaycard referred Mr T to other organisations that could support him which she thought was reasonable. Based on this she didn't think Barclaycard had done anything wrong or treated Mr T unfairly, so she didn't uphold this complaint.

Mr T didn't accept our investigator's view. He said that Barclaycard had refused to accept that his income varied and that he could afford to pay £50 a month (which he said he had done for the past few months).

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.

Mr T's Barclaycard account was in persistent debt and a paydown plan was agreed. Mr T maintained these payments until March 2024. He then contacted Barclaycard to tell it about his medical condition and explain that he could no longer meet the agreed repayments. As Mr T had made contact about struggling to make his repayments, I find it reasonable that Barclaycard requested that he complete an income and expenditure assessment before any

new arrangement could be agreed.

Mr T's income and expenditure form was received by Barclaycard on 28 March 2024 but as some of the amounts contained were unclear Barclaycard emailed Mr T to get in touch. On 8 April 2024, Mr T called Barclaycard and while it was offered for him to complete the income and expenditure assessment by phone Mr T said he would send it in. A further copy of the form was received but again some amounts weren't clear, and Mr T was told about this. While I appreciate Mr T had to spend time getting his form completed, I find that Barclaycard did keep him informed of the issue with the information provided and offered to complete the assessment over the phone. I find this reasonable.

Mr T completed the income and expenditure assessment, but this showed a substantial negative monthly disposable income. Mr T then made some adjustments, but he still had a negative monthly disposable income. So, while I understand that Mr T wanted a new repayment plan set at £50 a month, I cannot say that Barclaycard was wrong not to agree to this given Mr T had negative disposable monthly income. As Barclaycard has explained any new repayment plan needs to be affordable for the customer and as Mr T had negative monthly disposable income any repayments would appear unaffordable. Given this I do not find Barclaycard did anything wrong by not agreeing to a new repayment plan. Barclaycard did suggest Mr T contact debt charities to discuss his options which I find reasonable.

Mr T says that although his income and expenditure form showed a negative disposable income, he had explained that the amounts varied. While I note Mr T's comment, I find it reasonable that Barclaycard used the income and expenditure information it received to decide whether a suitable arrangement could be agreed.

Mr T has said that Barclaycard's actions have resulted in his credit file being adversely affected. I understand why Mr T didn't want to have missed payments on his credit file and the upset this has caused. But Barclaycard is required to report accurate information to the credit reference agencies and as Mr T wasn't able to make the required repayments each month, I cannot say that Barclaycard was wrong to report this.

Taking everything into account, while I am sorry to hear about the difficult time Mr T has experienced, I cannot say that Barclaycard did anything wrong or treated Mr T unfairly by not agreeing to a new repayment plan when, based on the information it had received, this wasn't affordable. I also cannot say it has done anything wrong by reporting the status of his account to the credit reference agencies. Because of this I do not uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 18 November 2024.

Jane Archer
Ombudsman