

## **The complaint**

Mr F complains about missed payments recorded on his credit file by Barclays Bank UK PLC trading as Barclaycard after he repaid the outstanding balance of his credit card.

## **What happened**

The background to this complaint and my initial conclusions were set out in a provisional decision. I said:

*Mr F had a credit card with Barclaycard that had an outstanding balance for some time. Barclaycard contacted Mr F about the balance on his credit card on the basis it was in a Persistent Debt position. Mr F says Barclaycard offered arrangements to pay down the outstanding balance. Mr F went on to make a payment to clear the balance and says Barclaycard then advised it still wanted to close his account.*

*Mr F's account was closed on 9 February 2024 and on 8 March 2024 Barclaycard issued a credit card statement that said he needed to make a final payment of £487.70 by 2 April 2024. Mr F's minimum payment of £15.49 was received by Barclaycard on 2 April 2024 and the remaining £472.21 was received on 3 April 2024, a day later than the payment date. Barclaycard says that, as a result of the delay of one day, further interest was applied to Mr F's account. On 9 April 2024 Barclaycard issued another statement that said Mr F needed to pay £9.05 by 7 May 2024.*

*Mr F's explained he thought the balance had been repaid in full so wasn't on the lookout for new statements and no payment was made. Mr F says that some time later he received a notification from one of the credit reference agencies that he had a missed payment on his credit file. Mr F looked at what happened and found missed payments by Barclaycard.*

*Mr F complained to Barclaycard and it issued a final response on 4 July 2024. Barclaycard said further interest had been correctly applied after Mr F's payment of £472.21 was received on 3 April 2024, a day later than the payment date. Barclaycard agreed to refund the outstanding balance of £9.47 and paid Mr F £25 for the distress and inconvenience caused. But Barclaycard didn't agree to remove the late payment markers from Mr F's credit file.*

*An investigator at this service looked at Mr F's complaint. They thought Barclaycard had reasonably applied late payments to Mr F's credit file due to the failure to clear the remaining £9.05 balance owed. The investigator didn't uphold Mr F's complaint. Mr F asked to appeal and said Barclaycard's actions had destroyed his credit rating despite never missing a payment. Mr F also said he hadn't received any arrears letters to contact from Barclaycard after April 2024's payments were made. Mr F also said the information Barclaycard is reporting fails to reflect the way his account was handled. As Mr F asked to appeal, his complaint has been passed to me to make a decision.*

## **What I've provisionally 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 can understand why Mr F is so frustrated that after repaying the outstanding balance of his credit card, Barclaycard has recorded missed payments on his credit file. I'll start by saying I agree with Mr F that Barclaycard's actions are unfair and fail to reflect what happened when he closed his credit card. I'll explain why.

All parties agree that Mr F was contacted about the position of his credit card after Barclaycard identified it as being in Persistent Debt. Mr F says he agreed to repay the balance with the intention of retaining his credit card but Barclaycard ultimately asked him to repay the balance in full. Mr F says that whilst somewhat annoyed at the change in stance by Barclaycard, he agreed to clear the remaining balance in full and close his credit card in February 2024. I understand Mr F's annoyance, but Barclaycard is free to review accounts, amend credit limits and ultimately decide to close a credit card at any time. I'm satisfied the terms and conditions of the credit card allowed Barclaycard to take that step and haven't been persuaded it made a mistake or treated Mr F unfairly by doing so.

Once the balance was cleared, interest that had accrued was applied to the account. Barclaycard's 8 March 2024 statement advised Mr F needed to pay £487.70 by 2 April 2024 to repay the remaining sums due. The issue here is that whilst the minimum payment of £15.49 was credited on 2 April 2024, the larger payment of £472.21 didn't reach Barclaycard until 3 April 2024, which fell in the next statement cycle. As a result, one day's interest accrued against the remaining £472.21 remaining balance which came to £9.05.

I can appreciate that, from Mr F's point of view, he thought he'd made the necessary payments to clear the balance of his credit card in full and on time. And I think it's very likely the payment received by Barclaycard on 3 April 2024 was sent by Mr F before that date. So from Mr F's perspective, he believed he'd done everything he needed to do to clear the balance and thought the account was closed. I can understand why, in those circumstances, Mr F wasn't looking for another credit card statement from Barclaycard. I'm satisfied Mr F genuinely thought he'd cleared the balance in full as required.

Mr F says the first time he realised there was an issue was when he received notification from a credit reference agency of the missed payment from Barclaycard on his credit file. Mr F went on to complain to Barclaycard and asked it to remove the missed payments as they were impacting his ability to secure other credit. I note Barclaycard's response says it's obliged to report accurate information on Mr F's credit file. But I'm not persuaded that's a fair approach in the specific circumstances of Mr F's complaint nor do I feel the missed payments recorded are proportionate to what I'm satisfied was a genuine oversight from a customer who'd held an account for several years without issue.

I've looked at industry guidance published by the Steering Committee on Reciprocity called "Principles for the Reporting of Arrears and Defaults". The document provides guidance on how adverse credit information should be used and reported on a consumer's credit file. Amongst other things, the guidance says data that is reported must be fair and accurate. The guidance goes on to say "The purpose of reporting arrears is to indicate at the earliest reasonably opportunity that a customer is showing signs of potential difficulty or inability to manage his/her finances." I'm not persuaded that the two missed payments Barclaycard has recorded on Mr F's credit file accurately or fairly reflect what happened when Mr F closed his credit card. And, as noted above, I'm satisfied the issue came about due to a genuine oversight rather than any signs of financial difficulty or an inability of Mr F's to manage his finances. I think the fact Barclaycard refunded the interest it applied and paid him £25 reflects the fact it accepts this was a genuine mistake from Mr F rather than an inability to pay.

*In my view, the application of missed payments to Mr F's credit file is disproportionate to what happened and fails to fairly reflect a genuine oversight rather than a failure to pay based on financial difficulties. I think that when Mr F complained it would've been reasonable for Barclaycard to have taken a more pragmatic view of his situation rather than rigidly relying on policy or process. Once Mr F raised his complaint, I think Barclaycard should've taken the step of removing the missed payments from his credit file. And I'm satisfied that by leaving them on Mr F's credit file it's caused him an unreasonably level of distress and inconvenience that isn't reflected by the payment of £25 it's paid.*

*Based on the information I've seen, I intend to uphold Mr F's complaint and direct Barclaycard to remove the missed payments it's reporting on his credit file and pay him a further £175 for the distress and inconvenience caused.*

I invited both parties to respond with any additional comments or information they wanted me to consider before I made my final decision. Neither party responded with further information.

### **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.

As no new information has been provided I see no reason to change the conclusions I reached in my provisional decision. I still think Mr F's complaint should be upheld, for the same reasons.

### **My final decision**

My decision is that I uphold Mr F's complaint and direct Barclays Bank UK PLC trading as Barclaycard to settle by removing the missed payments from his credit file and paying him a further £175 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 22 November 2024.

Marco Manente  
**Ombudsman**