

The complaint

Miss L is unhappy with the support that she's received from Barclays Bank UK PLC after she told them about a medical issue that was affecting her.

What happened

Miss L has a credit account with Barclays. In August 2024, Miss L contacted Barclays and explained that she had been suffering with seizures which meant that she was unable to work. Miss L asked Barclays to consider writing off the credit account balance on medical grounds because of the seizures she was experiencing. But Barclays declined Miss L's request as they noted that while Miss L couldn't work presently the evidence she'd presented suggested that she would most likely be able to return to work in the future.

Barclays did undertake an income and expenditure assessment with Miss L, and as a result of this they placed an interest suspension on Miss L's account and reimbursed £527.91 of interest to Miss L's account that she had recently paid.

But Barclays also explained that arrears would continue to accrue on the account, and that if Miss L remained unable to clear the arrears and resume making minimum payments, that her account would likely be defaulted. Miss L wasn't happy with the position Barclays were taking in consideration of her medical condition, so she raised a complaint.

Barclays responded to Miss L but didn't feel that they'd done anything wrong in how they'd chosen to administer her account. Miss L disagreed, and so she referred her complaint to this service.

One of our investigators looked at this complaint. They didn't feel that Barclays were acting unfairly towards Miss L regarding the arrears process they were following and the support that they'd offered to Miss L. But they felt that Barclays should have responded to Miss L's request for support sooner than they did, and so recommended that Barclays should pay £200 compensation to Miss L for any trouble or upset this may have caused.

Barclays accepted the recommendation put forward by our investigator, but Miss L remained dissatisfied. So, the matter was escalated to an ombudsman for a final 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.

This includes the testimony and information provided by Miss L about her medical condition. And in consideration of this information, it's only natural for me to sympathise with Miss L on a personal level regarding the difficult personal circumstances she's experiencing.

However, in my professional capacity as a financial ombudsman, I must remain impartial. And while I can appreciate why Miss L would like Barclays to write off her credit account balance, given what's happened to her, I don't feel that it would be either fair or reasonable

for me to instruct Barclays to do so.

One reason I take this position is because a credit balance write-off on medical grounds is generally only considered when it's expected that the account holder won't be able to return to work or generate any future income. But that isn't the case in this instance. And if Miss L can return to work in the future, which at this stage seems probable, then I feel she should fairly be expected to repay the credit balance that she currently owes to Barclays.

Miss L would like Barclays to accept token payments towards the account, and to effectively suspend the credit agreement until she is able to work again. But I'm not persuaded that it would be fair or reasonable to expect Barclays to do this.

This is because Barclays have an obligation to not cause a consumer foreseeable harm. And in this instance, Miss L has provided income and expenditure information to Barclays which confirms that she presently has no disposable monthly income available, such that she can't reasonably afford to make any form of payment to Barclays.

This means that if Barclays were to accept any form of payment from Miss L at this time – even only a small amount – then Barclays would be accepting a payment from Miss L which they know she can't afford to pay, and which would cause Miss L foreseeable harm.

Where a credit account holder has had an unfortunate turn of events, such as Miss L has experienced here, then there is an accepted process in place to protect that account holder from accruing a spiralling amount of arrears and charges because they can no longer make the contractual payments required of them. And this process is the defaulting of the account.

When an account is defaulted, this freezes the balance outstanding so that no further interest or charges accrues on it. And it also potentially allows for the recovery of the defaulted balance via a payment agreement over a length of time that the account holder can reasonably afford.

Miss L is concerned about a default being recorded on her credit file and feels that this may affect her ability to obtain work when she is able to return to it. But a default doesn't have the same kind of restrictive effect as a bankruptcy or an IVA might have. And so, I'm not convinced that it would have the damaging effect that Miss L believes that it might, or that Barclays should be expected not to default Miss L's account because of Miss L's concerns.

Ultimately, when Miss L took the credit account with Barclays, she agreed to and accepted the terms of that account. And these terms included that Miss L would be required to make at least the minimum contractual repayment every month, and that Barclays would make factual reports to her credit file regarding her monthly repayments and might default the account if Miss L didn't make the contractually required payments over a prolonged period.

Miss L rightly points out that the development of the medical condition that she's currently experiencing is unfortunate and wasn't her fault. But it also wasn't Barclays fault. And so, while I accept that it is unfortunate that Miss L isn't currently able to make contractual payments to her credit account, I don't feel that it necessarily follows that Barclays potential intention to default the account because of those missed payments is unfair. Instead, it can be the case that it is just unfortunate.

When an account holder approaches a credit provider and explains that they're experiencing difficult personal circumstances, it would generally be expected that the credit provider would look to offer appropriate support to that account holder to give them the opportunity to recover the position of their account before it defaults.

Upon consideration, I feel that Barclays have done that here. This is because Barclays applied an interest freeze to Miss L's account and reimbursed recent interest that she had paid. And Barclays also placed a hold on Miss L's account so that she wouldn't be actively pursued for repayment of her account arrears when Barclays had already been apprised of her difficult personal position.

But the support that Barclays offered to Miss L in this respect doesn't affect Barclays responsibilities and obligations regarding when it's fair and reasonable to default an account, as previously discussed. Or regarding the fact that Barclays have an obligation to make accurate reports to the credit reference agencies.

Finally, Miss L is unhappy that Barclays didn't respond to her request for financial assistance in a timely manner. Given Miss L's difficult personal circumstances, I can appreciate how Barclays lack of initial response would have been upsetting and concerning for her. And for this reason, I'll be upholding this complaint in Miss L's favour and instructing Barclays to pay £200 compensation to her.

In arriving at this £200 compensation amount I've considered the impact of Barclays delay on Miss L alongside the general framework this service uses when assessing compensation amounts, details of which are on this service's website. And, having done so, I feel that £200 is fair compensation amount.

All of which means that while I will be upholding this complaint in Miss L's favour on the basis explained above, I won't be upholding Miss L's primary complaint point about the financial support she feels that she should have received from Barclays.

This is because while I accept that what has happened to Miss L is unfortunate, I don't feel that it reasonably absolves her of her contractual payment responsibilities regarding her credit account, and because I feel that Barclays have administered Miss L's account in a fair and reasonable manner once they understood the financial difficulty that Miss L was unfortunately experiencing.

I realise this won't be the outcome Miss L was wanting, but I hope that she understands, given all that I've explained, why I've made the final decision that I have.

Putting things right

Barclays must pay £200 to Miss L.

My final decision

My final decision is that I uphold this complaint against Barclay Bank UK PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 18 March 2025.

Paul Cooper
Ombudsman