

## **The complaint**

Miss G complains that Clydesdale Financial Services Limited, trading as Barclays Partner Finance (Barclays) omitted to tell her that cash payments could be made towards her loan to clear arrears that had accrued.

## **What happened**

There's little dispute between the parties about the core events in this case. So, what follows is a summary of what happened.

- In January 2023, Miss G bought a phone costing £1458.00. The purchase was funded through a loan (the Loan) from Barclays.
- The terms and conditions of the Loan were set out in a finance agreement (the Agreement) which Miss G signed on 14 January 2023. The Loan was repayable over a 23-month term with monthly subscriptions of £60.74.
- In April and May 2023, Barclays failed in their attempt to collect Miss G's monthly payment and the Loan fell into arrears.
- After sending Miss G a demand letter and a number of text messages asking her to repay the arrears, on 17 May 2023, Miss G spoke to Barclays. She told them she'd been the victim of theft during which a number of items were stolen. Miss G promised that she would, nonetheless, clear the arrears by the end of the month.
- Barclays have told us that:
  - Miss G did not make the repayment by the end of May as she'd promised. So, on 1 June they sent her a text message to remind her about the outstanding arrears.
  - Although Miss G called the bank the same day and promised that she would clear the arrears the following day, she didn't do so.
  - Later, in a conversation between Miss G and the bank on 10 June 2023, she explained that the stolen items included her computer which meant she couldn't make the payment electronically. She explained that she only had cash to make the payment and so needed to go to a bank to sort the matter out. But she had concerns that because her identification documents – such as her passport was stolen, verifying her identity might be problematic.
  - Following a further text message the bank sent to Miss G on 11 June 2023 regarding the arrears, on 16 June it issued a default notice to Miss G. A month later, on 18 July 2023 a default entry was placed on Miss G's credit file as no payment had been received from her.

- Miss G's continued failure to settle the arrears, led on 6 September 2023 to the Loan being passed to external debt recovery agents for collection.

But Miss G believed that in taking the action they did in defaulting the Loan, and adding a default marker on her credit file, Barclays treated her unfairly. So, she complained to Barclays.

According to Miss G, she had multiple calls with the bank's customer service team in May and June 2023 at which time she'd wanted to make cash payments towards clearing the arrears. She said she told the bank that she had the cash available to do so. In light of this, Miss G said the customer service team should have accepted the payment in the form it was being made available or at least advise her how best to do so.

Barclays didn't think they'd done anything wrong. They said that beyond advising Miss G of the bank's payment methods which they did, they had no wider responsibilities regarding her payments.

Miss G wasn't satisfied with the bank's response and as her complaint remained unresolved, she referred it to this service to look into.

Our investigator wasn't persuaded that Barclays made any errors or provided poor customer service to Miss G as she alleged. In summary, she said:

- She'd observed that the Agreement included the following term:

*"You must make a payment to us each month"*

- Furthermore, the Agreement also explained the ways to make such payments as follows:

*"Our payment details*

*You can use the details below to make a payment to us.*

- *Cheque:....*
- *BACS: Barclays Bank Plc, sort code:....*
- *Debit card...."*

Considering this, the investigator concluded it was Miss G's responsibility to ensure payments were made in line with the Agreement employing the methods set out in it. However, since she did not, Barclays were entitled to act in the way they did.

Miss G didn't agree with the investigator's conclusions and wrote with further submissions. Those submissions expanded the arguments she originally made about Barclays' omission to accept cash payments towards the arrears. She said – in summary:

- The theft of her belongings meant she was unable to access banking information as this was stored on her stolen computer and work phone. She could not therefore make the cash payments she'd intended unless she was informed of the correct account number, sort code, and any relevant reference number.
- The reason Barclays were at fault, and the core issue that underpins her complaint is that even though Barclays could accept cash payments towards the arrears, the bank failed to advise her about the method by which she could do so.

## 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.

Where the evidence is incomplete or inconclusive (as indeed some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

I start by saying how sorry I am to learn of the unfortunate set of events that Miss G has experienced. No doubt the theft of her belongings, especially her identification documents such as her passport would have been difficult and distressing.

It isn't in dispute that the Loan fell into arrears. I agree with our investigator that Miss G was in breach of the Agreement by failing to make the payments she was obliged to do. I agree also that the Agreement made clear the different methods available to her to make those payments. And in circumstances where payments are not made, the Agreement sets out the options available to Barclays as follows:

### *"If you break the agreement*

*If you don't make a payment when it is due or if you miss several payments, the following will apply:*

- *Your credit records may be affected in a way that makes it harder or more expensive to borrow money in the future.*
- *We may pass the loan to a debt collection agency."*

Considering the terms and conditions of the Agreement and Miss G's failure to make all the monthly payments she was required to do under it, I'm satisfied Barclays were entitled to take the action they did in defaulting the Loan and adding a default notice to Miss G's credit file. That being said, I note Miss G believes that the bank's action was unfair, and I've thought about her reasons for saying so.

I have no reason to doubt that the theft of Miss G's computer and her phone, hampered her ability to make payments towards the arrears electronically. And neither do I have any reason to doubt her testimony that she had enough cash to repay the arrears. But a key part of Miss G's case is that she believes Barclays let her down because they didn't accept the cash payments during various calls she had with the bank. And nor did it tell her how otherwise to make the payments in cash. In particular by helping her with details of her account number, sort code, and any relevant reference number.

I've considered the bank's internal records very carefully which support their submissions which I've set out in the paragraphs above.

The records confirm Miss G did indeed contact it on 17 May 2023 to report the theft of her belongings. And the records also confirm Miss G promised to pay the outstanding sums she owed by the end of the month. There is no record of her seeking any guidance on how this might best be done. The same is true from the notes I've seen regarding Miss G's later conversation on 1 June 2023 when she's recorded as telling the bank she would make the payments by the following day.

Barclays records confirm their conversation with Miss G on 10 June 2023. The records confirm she told the bank she had enough cash to make the appropriate payments. But

according to those records, Miss G said she needed to attend the bank to do so but she was concerned she'd probably need to verify her identity which might be difficult considering her identity documents had been stolen.

The evidence doesn't suggest Miss G was unclear about how she might be able to make the payment in cash. I think the bank might have given some reassurance regarding her identification as it's not obvious there was a high security risk in that regard when all Miss G proposed doing was to pay money to Barclays to clear her arrears. That being said, in light of Miss G's specific testimony that in her dealings with Barclays over the phone, her focus and intention was to clear the arrears in cash, I've seen no persuasive evidence that whilst speaking to Barclays' customer service team, she asked them to accept the payments in cash. Nor have I seen any evidence confirming she asked for guidance on how best this could be done.

So, I find it difficult to conclude Barclays did anything wrong by failing as Miss G has argued, to provide the guidance she believed Barclays were obliged to provide. If she had requested guidance I see no reason the bank would have declined to provide it. Including account details, sort code and relevant reference numbers which she said she'd have needed. I say that because whilst I appreciate the sensitivity of such information, the bank's records show it had no concerns at any point that it was speaking to Miss G, as it had verified her identity as its customer. And besides, the purpose was to enable her to pay money to the bank rather than to make withdrawal which arguably would have entailed greater security risk.

In summary therefore, I haven't been persuaded Barclays treated Miss G unfairly by recording default information on her credit file as it accurately reflected the position regarding her payments towards the Loan. But more to the point, I'm of the same opinion regarding the substance of Miss G's case - which is that unfairly, the bank failed to provide guidance about how to clear the arrears in cash. In the absence of any persuasive evidence Miss G requested such information, I don't think I can fairly conclude Barclays were at fault for failing to volunteer that information.

### **My final decision**

For the reasons mentioned above, my final decision is I do not uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 11 April 2025.

Asher Gordon  
**Ombudsman**