

## **The complaint**

Mrs R complains about the level of service she received from Barclays Bank UK PLC trading as Barclaycard (Barclays).

## **What happened**

Mrs R held a Barclays credit card. In 2019, Mrs R contacted Barclays to explain that she was experiencing financial difficulties. Mrs R was unhappy that Barclays had continued to allow her to use her credit card to fund gambling transactions.

Mrs R says that in response, Barclays wrote to her on 2 December 2019 to say that it was going to write off her outstanding balance of over £8,200 and that she could ignore further correspondence about the debt.

Mrs R says that over time she received letters from third parties appointed by Barclays to collect the debt and that she set up repayment plans with them. Mrs R says that after finding the letter from 2 December 2019 in 2023 or 2024, she stopped making payments to the new owner of the debt (who I will refer to as P).

A few months later, P issued court proceedings to recover the outstanding debt. Mrs R contacted Barclays and sent it a copy of the letter from December 2019. Barclays apologised and explained that instead of sending Mrs R an income and expenditure form back in 2019, it selected the wrong template and issued a full and final settlement letter by mistake. Barclays confirmed it had never agreed to write the debt off and that a default had been applied in May 2020.

Barclays noted that in May 2020, Mrs R made contact to discuss setting up a repayment plan, after which she completed and returned an income and expenditure form. Mrs R then agreed a repayment plan with a third party appointed by Barclays to manage the debt. In September 2022, Barclays transferred the debt to P and payments against the outstanding debt were received until March 2023.

Barclays said that it had recalled the debt from P and asked it not to register a County Court Judgment (CCJ). To apologise, Barclays paid Mrs R £500 compensation.

Mrs R doesn't think she should be held liable for the outstanding debt. She doesn't consider that Barclays' explanation that it sent the letter of 2 December 2019 due to an administrative error is fair, particularly given the amount of stress caused to her.

When our investigator sent his first view of Mrs R's complaint, he thought Barclays had already done enough to apologise.

Our investigator thought that it was evident that Barclays sent the letter in early December 2019 by mistake because at this point, Mrs R's account wasn't in default so Barclays wouldn't have been in a position to write the debt off. Our investigator noted that Mrs R discussed the need to complete an income and expenditure form with Barclays and that at no time was a settlement offer discussed or accepted. Our investigator said the write off

would have needed to go through Barclays' process but that this didn't happen. And Barclays didn't get back in touch to confirm the debt was settled – instead, it continued to chase Mrs R for payment.

Our investigator thought that until Mrs R found the letter some years later, there had been little impact from Barclays' mistake. He also said cancelling the repayment plan before confirming whether the letter of December 2019 was correct, had led to some of the upset and inconvenience caused to Mrs R.

Mrs R was very unhappy with the investigation outcome. She felt insulted by our investigator's suggestion that she was to blame for the situation. Mrs R felt he had overlooked the emotional and financial difficulties leading up to her contacting Barclays in 2019. Mrs R said that Barclays managed her complaint badly, taking weeks to acknowledge that it had made a mistake.

Mrs R pointed out to our investigator that he had the benefit of experience and financial knowledge when explaining why the letter of 2 December 2019 had been sent in error. Mrs R said he could not expect her to have the same level of knowledge, so it was unfair to assume she should have known Barclays sent the letter by mistake.

Mrs R didn't think £500 compensation was adequate given Barclays didn't send an apology at the time and as she had to chase things up, including giving it a copy of the December 2019 letter because Barclays had not retained a copy. Mrs R asked why, if Barclays was not at fault, did it recall the debt from P. She felt this was an admission of the poor handling of her account.

In light of Mrs R's response, our investigator issued a second view. He explained that he had reconsidered the compensation already paid by looking at the complaint in two parts. First being the initial mistake in 2019 and second being the impact of the mistake and service provided to Mrs R.

Our investigator thought that for the first part of the complaint, £100 compensation was fair as this is what he would have recommended had the clerical error been picked up in December 2019. Our investigator thought that the impact of finding the letter years later warranted additional compensation because off the back of this, Mrs R stopped making payments to P and experienced poor service from Barclays. Our investigator thought that taking account of the emotional stress on Mrs R, £5,500 was a fairer reflection of what happened once she found the letter. Our investigator ended his view by asking Barclays to pay a further £100 in addition to the £500 already paid.

Mrs R was pleased to see that our investigator agreed that Barclays should pay an additional £5,500 compensation together with £100 for the inconvenience.

Our investigator apologised to Mrs R that there was a typographical error in his second view, which should have read £500, not £5,500.

Mrs R doesn't accept that the paragraph in our investigator's view where he referenced £5,500, can be written off as a typo. She thinks that our investigator intended there to be a change in outcome.

Barclays doesn't agree that it should pay a further £100 compensation.

As the complaint remains unresolved, it has come to me to make 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.

I should first like to say that I am sorry for the unintended but inevitable upset which has been caused to Mrs R when our investigator referred to the sum of £5,500 in his second view. As this has been the subject of a service complaint, I don't say more about this other than to address Mrs R's concerns about our investigator's intention when writing the paragraph she highlighted.

I also appreciate that I have summarised this complaint in less detail than the parties and that I have done so using my own words. The rules that govern our service allow me to take this approach. But this doesn't mean I have not considered everything the parties have given to us.

### Letter of 2 December 2019

In this letter, Barclays acknowledged Mrs R's offer to make a payment of £0 in full and final settlement of the outstanding balance on her account. The letter says that as she is paying less than the full amount, Barclays will clear the rest of the debt and won't ask her to pay the remaining balance.

I can understand that at the time Mrs R received this letter, she would have been very relieved. However, for reasons which Mrs R has explained to us, she seems to have overlooked its existence for a few years. I say this as Mrs R went on to agree repayment plans with Barclays and/or third parties appointed to collect the debt on its behalf. I accept what Mrs R says about having so much going on financially and emotionally that she didn't appreciate who she was agreeing to repay. But I still think that if Mrs R had recalled receiving the letter, she would have raised questions with Barclays sooner than she did.

It is for this reason that I agree with our investigator that £100 compensation for the initial mistake of sending the letter is fair. I agree that Barclays should have picked up on the mistake sooner than it did but this is not a case, for example, where Mrs R spent months or years following receipt of the letter, arguing that she shouldn't be held liable for the debt. So, the negative impact caused by receiving the letter at the time was, in my view, fairly minimal. For this administrative oversight by Barclays, I agree that £100 compensation is fair and in line with the guidance which can be found on our website.

### Distress and inconvenience caused when Mrs R found the letter in 2023/2024

I can understand why, when Mrs R found the December 2019 letter in 2023/2024, she decided to stop making payments to P. After all, it looked as though Barclays had agreed to write the debt off several years before. It must have also been upsetting for Mrs R to think that she'd been making payments unnecessarily and at a time when her financial circumstances were poor.

Mrs R admits that she didn't contact Barclays or P at the time she found the letter. So, after making the discovery and stopping payments, there will have been some time until P commenced legal proceedings against Mrs R. If I liken this to the calm before the storm – it means that there was a period during which Barclays mistake was not impacting Mrs R as she was just relieved not to have to make further payments.

It wasn't until Mrs R heard from the County Court about the claim which P had issued, that the impact of Barclays' mistake in sending the letter, will have started again. Mrs R was then

put to the inconvenience and upset of dealing with the claim and with Barclays. However, once Mrs R brought her concerns to Barclays in early July 2024, it responded by the end of the same month with an apology and compensation, and it recalled the outstanding debt. So, I'm satisfied that Barclays attempted to minimise the upset caused to Mrs R.

The reason why I have laboured my explanation above, is to try and help put the award of £500 compensation (for this aspect of Mrs R's complaint) into context. An award of this size sits around the middle of an award we might make where the mistake has caused considerable distress and/or significant inconvenience. In Mrs R's case, although finding the letter has been upsetting and has caused inconvenience to her, the impact has not been continuous since she found it as it took time for P to issue proceedings after she stopped making payments. So, I think £500 fairly reflects the inconvenience and distress caused to Mrs R after she found the letter.

I take on board what Mrs R says about our investigator's reference to £5,500 and that it wasn't simply a typographical error but indicative of his intention to significantly improve on Barclays' original offer. But I don't agree with this. As I have already said, it's unfortunate that our investigator made the mistake but I think it was always his intention to recommend £100 in addition to the £500 already paid. So, there has been an improvement on Barclays' original offer of compensation.

Our website sets out details of our approach to awards of compensation. An award of £5,000 and over is only made for the most extreme impact on a consumer. I mean no disrespect to Mrs R but I don't consider Barclays mistake has caused the level of sustained distress which would warrant an award of anywhere near this amount. So, the fact that our investigator mistakenly referred to the sum of £5,500 in his second view, doesn't mean that I should therefore award this figure.

For all the reasons I have outlined above, I consider an award totalling £600 (which includes £500 already paid) is enough to put things right. Particularly as Barclays has recalled the debt and a CCJ has not been registered.

As a final point, I don't consider that Barclays intended to write the outstanding debt off in December 2019. I say this as it continued to write to Mrs R about the debt and involved third parties to help with collection. The sending of the write off letter was an administrative error – for which it is paying compensation. But this doesn't mean that Barclays has acted unfairly by asking Mrs R to repay the outstanding debt since it sent the letter in December 2019. Or that it should now write the debt off. However, as Barclays has brought the outstanding debt back in house, I remind it of its' obligation to fairly consider any offers Mrs R might make to repay the debt. And if in the future, Mrs R is unhappy with the way that Barclays is pursuing repayment of the outstanding balance, she can of course raise her concerns before coming back to our service for help if required.

### **Putting things right**

Barclays should pay Mrs R a total of £600 compensation from which it can deduct any compensation already paid in respect of this complaint.

### **My final decision**

My final decision is that I uphold this complaint and direct Barclays Bank UK PLC trading as Barclaycard to put things right as set out in the above section.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 4 April 2025.

Gemma Bowen  
**Ombudsman**