

The complaint

Mr W complains that Barclays Bank UK PLC defaulted his account and passed it to a debt collection agency.

What happened

Mr W holds a loan account with Barclays.

The loan fell into arrears in December 2022. Barclays issued a Default Notice on 3 April 2023 which advised Mr W that unless he cleared the arrears on the account before 29 April 2023, the account would be passed to a debt collection agency.

Mr W didn't clear the arrears so Barclays passed the loan to a debt collection agency.

Mr W complained to Barclays. He said he'd contacted them on 26 August 2021 and on 26 December 2021 to discuss a payment holiday and didn't think the bank had supported him enough. Mr W said he'd subsequently contacted Barclays several times asking for the debt to be brought back from the debt collection agency, but no action had been taken.

Barclays upheld the complaint. It said that the advisor had some issues with the phone on 26 August 2021 and wasn't able to transfer the call to the financial assistance team. It said that the office was closed on 26 December 2021 and by the time Mr W called again the account had already been passed to the debt collection agency. Barclays said that because Mr W never contacted them again it had been unable to set up a payment holiday. It said it hadn't made an error by defaulting the account, but it acknowledged that Mr W had made several calls asking for the loan to be brought back from the debt collection agency and recognised that the level of service could've been better and offered compensation of £100.

Mr W remained unhappy and brought his complaint to this service.

Our investigator upheld the complaint. He said the offer of compensation didn't go far enough because of the length of time it had taken Barclays to take the debt back from the debt collections agency. The investigator recommended further compensation of £200, bringing the total compensation to £300.

Mr W didn't agree. He said that £200 didn't reflect the impact and significant issues he'd faced as a result of the situation.

Because Mr W didn't agree I've been asked to review the complaint.

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 know it will disappoint Mr W but I agree with the investigators opinion. I'll explain why.

This decision will focus on Mr W's complaint about the issues he experienced when he

asked Barclays to take back his loan from a debt collection agency. Mr W says he made several calls to Barclays about this, but no action was taken.

Barclays has acknowledged that Mr W made several calls about taking the loan back from the debt collection agency. It has accepted that it didn't provide the level of service that Mr W ought reasonably to expect and paid compensation of £100.

I've thought about whether Barclays has done enough to resolve this complaint fairly.

I've reviewed the notes provided by Barclays. These show that Mr W contacted them in November 2023 to ask them to take the loan back from the debt collection agency. I can see from the notes that the loan was taken back in May 2024.

It's clear from the information provided that Mr W had several conversations with Barclays about taking the loan back. Mr W also spoke to the debt collection agency several times. I appreciate that this must've been a frustrating situation for Mr W. It isn't clear from the information provided why there was such a delay in taking the loan back. On any analysis, six months is too long.

Mr W has said that he doesn't think the increased compensation suggested by the investigator is sufficient given the impact of the situation. I've thought about this. As I've said above, I understand that this must've been a frustrating time for Mr W. However, the account had already been defaulted and I haven't seen any evidence to suggest that Mr W was financially impacted by the delay in taking back the loan.

Taking everything into account, I agree with the investigator that the further sum of £200 is a fair and reasonable resolution to Mr W's complaint.

Putting things right

To put things right Barclays Bank UK PLC must pay further compensation of £200 to Mr W.

My final decision

My final decision is that I uphold the complaint. Barclays Bank UK PLC must pay further compensation of £200 to Mr W.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 April 2025.

Emma Davy
Ombudsman