

## The complaint

B, a limited company, complains that Barclays Bank Plc failed to defend a chargeback against it for £2,000 and reported a default to the credit reference agencies.

## What happened

In May 2024 a chargeback claim was raised against B for £2,000. Barclays wrote to B to notify it of the dispute. However, as Barclays didn't receive a response it didn't defend the chargeback. As a result, it invoiced B for the outstanding £2,000.

Barclays didn't receive a response to its invoice so wrote to B again in July 2024, asking B to make payment within 28 days. The letter explained that Barclays could send information to credit reference agencies about how B managed its accounts, and that failure to repay could affect B's ability to borrow in future. No response was received and so Barclays wrote to B again in August 2024 requesting immediate payment, and again in September 2024 with a notice of default.

Mr G, one of B's directors, got in contact with Barclays during January 2025 and February 2025. He said B's facility with Barclays had been closed since March 2024 and that he hadn't received any letters regarding the chargeback, so hadn't been given the chance to send any evidence. Barclays told him that, as the chargeback had been raised in May 2024, it had run out of time to defend it. And, as it had been unable to get in contact with B, the debt had been written off and information passed to the credit reference agencies. Barclays offered to reverse the write-off of the debt, but said this meant the £2,000 would become payable on B's account and that B would need to contact Barclays' collections team in order to repay it.

The reversal was actioned but Mr G, on behalf of B, complained to Barclays. He said he'd been misinformed about the default marker being applied, and that he was under the impression that reversing the debt write-off would result in the default being removed. He was also unhappy that, as no correspondence had been received from Barclays, B hadn't been given a chance to dispute the chargeback.

Barclays upheld the complaint in part. In its response, it said correspondence had been sent to B's statement address, and that Mr G had confirmed the address was correct. It said that as B didn't respond, the deadline to defend the chargeback had passed. However, Barclays offered £200 for the information it had previously provided regarding the debt being written off. It clarified that the reversal of the write-off was to allow B to make payment, so that this could be reflected in Barclays' reporting to the credit reference agencies.

B brought the complaint to our service. It said it had first contacted Barclays after being notified of a default notice by a credit reference agency. It explained the chargeback had been raised in May 2024, despite Barclays having removed its card terminal facility from B in March 2024. It said it hadn't received any of the letters Barclays had sent. Further, B said it had been advised by Barclays that if it reversed the debt write-off, the default marker would be removed. However, this wasn't correct, and so B said it was unfair for the default marker to remain or for the debt to stand.

Our Investigator looked into things but didn't uphold the complaint. He said chargeback rules meant disputes could be raised some months after the purchase, and this is what had happened here. He said he was satisfied Barclays had sent correctly addressed letters to B about the debt and chargeback, but that, as it didn't receive a response, it had fairly dealt with the chargeback and the default notification for B's outstanding debt. Finally, he said it had been noted that during its phone calls with Barclays, B was not correctly informed about the impact the debt would have on its credit file. However, he was satisfied that the written correspondence had clarified things. As such, he felt Barclays' offer of £200 was fair and didn't think it needed to do anything further.

B didn't accept the Investigator's view. It said it was deeply troubling that it had been given the wrong information about the default being removed. It added that the reported circumstances of the chargeback were unlikely, given it operated from physical premises where customers paid at the point of sale and took the goods immediately. It said he had reached out to all of its customers from that period and none of them had acknowledged initiating a chargeback. It also raised concerns that, prior to the chargeback, Barclays' preferred method of communication had been by email. And so it didn't understand why Barclays had chosen to revert to post.

As no agreement could be reached, the case was passed to me to decide.

### **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.

Having done so, I won't be upholding this complaint. I know this isn't the answer that B or its directors wanted, so I've explained why below.

I've seen copies of the chargeback letters Barclays says it sent to B. These letters are all correctly addressed and so I am persuaded they were, more likely than not, sent to B's premises. And, while I acknowledge B's concerns around the circumstances of the chargeback, my role here is to assess whether Barclays got something wrong in the actions it took. Barclays was not obliged to send the correspondence by email. And, as it didn't receive a response from B, I don't think it would be reasonable to expect Barclays to have defended the chargeback claim, particularly as it wouldn't have had the information it needed from B.

For the same reasons as above, namely, the correctly addressed letters which contained all of the information I think B needed, I don't think Barclays acted unfairly in its reporting to the credit reference agencies. Barclays must report an accurate reflection of B's credit history and, as no response to its request for repayment had been received, I can't fairly say it was wrong in its decision to write-off the debt and report the default.

However, I've thought carefully about the information Mr G was given by Barclays' staff when the write-off reversal was discussed. I'm in agreement with both Barclays and the Investigator that the call handler could have done more to explain the default would stand, despite the decision to reverse the debt write-off, but I haven't been presented with any evidence which persuades me that B or its directors were told the default would be removed – though I understand why Mr G would have reached this conclusion. Barclays has explained that when debt is written off it is transferred to a debt collection agency, so B would still have been liable for the outstanding amount. Because of this, I'm not persuaded B is in a materially worse position for the information Barclays gave, and so I think the £200 is a fair way to settle this complaint.

I appreciate Mr G might feel differently, but I will leave it to him to decide whether, on reflection, he now feels able to accept the sum proposed by Barclays on behalf of B. Either way, my decision now completes our consideration of this complaint.

### **My final decision**

My final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask B to accept or reject my decision before 8 December 2025.

James Akehurst  
**Ombudsman**