

The complaint

Mr H is unhappy that Barclays Bank UK Plc trading as Barclaycard sent him a 'persistent debt' letter in July 2024.

What happened

Mr H had a credit card supplied by Barclaycard. He generally maintained an outstanding balance and paid the minimum payment each month. On 19 July 2024, Barclaycard sent him what's known as a persistent debt letter. This gave Mr H the option to accept a repayment plan, and have his card suspended, by 24 September 2024; or pay the balance off in full and have his credit limit reduced.

Mr B wasn't happy with this, and, on 6 August 2024, he complained to Barclaycard. Within his complaint he said that, so long as he complied with his contractual obligations, it was up to him how he used his credit card, and what he chose to pay. And he didn't think Barclaycard were treating him fairly and using the requirements of having to comply with regulatory rules as justification for their actions.

Barclaycard didn't initially respond to Mr B's complaint, and he brought the matter to the Financial Ombudsman Service for investigation. He also stopped making payments.

Barclaycard issued a complaint response letter on 31 December 2024, where they said they'd followed their regulatory requirements in sending the letter of 19 July 2024. They also acknowledged they'd not responded to the initial complaint, apologised for this, and paid Mr B £25 compensation for the inconvenience this had caused. They followed this up with a further letter dated 22 January 2025, explaining that, as Mr H had stopped making payments, they were unable to return his account to the position it had been in August 2025, nor were they able to amend his credit file to remove the missed payment markers.

Our investigator explained that, while Mr H felt Barclaycard were trying to bully him, they were following the requirements set out by their regulator, the Financial Conduct Authority ('FCA'). And the FCA rules consider someone to be in persistent debt when they have paid more in interest, fees and charges than they've repaid towards the capital they owe over the previous 18 months. As Barclaycard are required to assess whether their customers fall within this definition every month, and they've been required to do so since March 2020, and as there was nothing to show that Barclaycard had incorrectly assessed Mr H as being in 'persistent debt'; they had acted reasonably by complying with their regulatory obligations.

Because of this, the investigator didn't think Barclaycard needed to do anything more. They also felt that Barclaycard had acted reasonably by recording missed payments with the credit reference agencies after Mr H stopped making payments, so they didn't need to correct his credit file.

Mr H didn't agree with the investigator's opinion. He didn't think it was fair that we couldn't consider how Barclaycard had dealt with his complaint, as he thought this was central to everything. And, in not replying to his complaint in a timely manner he thought they had breached the FCA's Principle 6 (a firm must pay due regard to the interests of its customers

and treat them fairly) and Principle 7 (a firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading).

With regards to the persistent debt letter, Mr H said that, at no time since March 2020, did Barclaycard advise him that his only options were to either pay the balance in full or go onto a repayment plan – another credit card provider had given him the option of increasing the minimum monthly payment and continuing to have the card available for use. So, he felt that Barclaycard should've given him this option as well, and he asked for the matter to be passed to an ombudsman 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've reached the same overall conclusions as the investigator, and for broadly the same reasons. If I haven't commented on any specific point, it's because I don't believe it's affected what I think is the right outcome. Where evidence has been incomplete or contradictory, I've reached my view on the balance of probabilities – what I think is most likely to have happened given the available evidence and wider circumstances.

Before I explain why I've reached my decision, I think it's extremely important for me to set out exactly what I've been able to consider here. I note Mr H has complained about how Barclaycard handled and responded to his complaint, and he feels their failure to follow the FCA's guidelines for complaint handling made matters worse. While I've read and noted all of Mr H's comments in this regard, and I appreciate his strength of feeling on this, complaint handling is an unregulated activity, so it falls outside of our service's jurisdiction to consider.

As such, the way Barclaycard handled Mr H's complaint isn't something I'm able to consider as part of my decision.

Mr H has also referred to how another credit card provider has dealt with persistent debt, and allowed him to continue using that card, albeit with making a higher than normal minimum monthly payment. While this has also been noted, a crucial part of our service and the way we consider complaints is that we consider each complaint on its own merits and its own individual circumstances. So, my decision won't be impacted in any way by how a different company may have dealt with a debt on another credit card, no matter how similar Mr H feels the situation is.

Turning to what I can consider, Barclaycard have said they were following the persistent debt rules laid down by the FCA. Based on the evidence I've seen, I'm satisfied that Mr H's account fell within these rules, so Barclaycard were obliged to act. It's not our role to tell financial businesses what they can and can't do – that's something only the FCA can do. As such, I can't say that Barclaycard have done anything wrong by only offering Mr H the choice of suspending the card and accepting a repayment plan or paying the balance of in full and having the credit limit reduced.

I can only say Mr H was being unfairly treated if Barclaycard were offering him options, or not offering him options, that they would usually make available to customers in the situation Mr H found himself in. And I haven't seen anything to show me that was the case. As such, and while I appreciate this will come as a disappointment to Mr H, I don't think Barclaycard have acted unfairly or unreasonably with regards to how they dealt with Mr H's account.

I've also considered Barclaycards actions when Mr H stopped making payments – passing the account over to a debt collection agency and recording missed payments on Mr H's credit file. These are actions I would reasonably expect any financial business to take when a customer stopped making payments and are in line with industry standards. Therefore, I don't think Barclaycard have done anything wrong, and I won't be asking them to take any further action – including correcting Mr H's credit file.

My final decision

For the reasons explained, I don't uphold Mr H's complaint about Barclays Bank UK Plc trading as Barclaycard.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 1 October 2025.

Andrew Burford
Ombudsman