

The complaint

Ms J complains Barclays Bank UK plc trading as Barclaycard ('Barclaycard') charged interest on her credit card account contrary to what she'd been advised, and didn't adequately support her with a disputed transaction.

Ms J wants an interest refund of £125.81 and £300 compensation for her distress and inconvenience.

What happened

In January 2024 Ms J instructed some work to be done on her car. Ms J wasn't happy with the bill or the work done, but paid under protest with her credit card to get her car back. Ms J rang Barclaycard to log the payment as a disputed transaction.

Barclaycard suspended interest on Ms J's account while they investigated the dispute and while Ms J contacted the motor ombudsman. This was renewed every 30 days for several months.

On 12 August 2024 Barclaycard informed Ms J that the suspensions had come to an end, saying "interest will be charged." On 13 August 2024 Barclaycard confirmed this in writing. Ms J was then charged £125.81 for the statement period leading up to 12 August 2024.

Ms J complained to Barclaycard that her disputed transaction hadn't been raised and arranging the interest suspensions had taken a day of her time. Ms J complained that she had been told interest "will" be charged in future on 12 August 2024, so she wanted a refund of interest up to that point.

Barclaycard didn't uphold Ms J's complaint and Ms J referred it to the Financial Ombudsman Service. Our investigator concluded that Barclaycard weren't under an obligation to continue to suspend interest on Ms J's account, and didn't think Ms J had been treated unfairly. So, they didn't recommend that Barclaycard take any action.

Ms J remained unhappy and the matter came 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.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I know this will disappoint Ms J, but I've decided not to uphold her complaint. That's because while I recognise this was an unfair situation for Ms J to be in, I haven't found Barclaycard treated her unfairly in these circumstances. I'll explain why.

I think Barclaycard raised and considered Ms J's disputed transaction as they explained they wouldn't be able to do anything to help Ms J without further evidence of overcharging by the merchant. Barclaycard had already paid the merchant, and didn't agree to refund Ms J.

Barclaycard suspended interest on Ms J's credit card whilst considering their position, which I think was fair. And afterwards, when Ms J rang to say she was taking matters further with the motor ombudsman, Barclaycard offered to suspend interest again for 30 days.

I recognise Ms J wanted a longer suspension, but I don't think it's unreasonable for Barclaycard to want to review an interest suspension periodically, particularly when it's applied on a goodwill basis. I haven't found any obligation on Barclaycard to continue to suspend interest following their investigation of the disputed transaction.

This means Ms J had to ring up every month to secure a further suspension and this took up a lot of her time. As I'm minded to say Ms J was not entitled to an interest suspension and derived a substantial benefit from it, I don't think it was unreasonable for this to have involved some time and effort on her part.

I've considered Ms J's assertion that she's been unnecessarily inconvenienced by having to explain her situation every time she rang Barclaycard. But I've not seen enough to persuade me that Barclaycard kept inadequate notes here. I say this because Barclaycard's system notes for Ms J's account records the dates interest was refunded and suspended, in line with what I'd expect. It's evident from the call on 29 July 2024 that there were internal notes about the dispute Ms J had raised about the transaction.

It's clear from a call in May 2024 that Ms J's expectation was that Barclaycard would put a note on her record to say she wouldn't be charged interest on the disputed transaction until the motor ombudsman had dealt with matters – which would mean she didn't have to keep calling every month. I wouldn't expect Barclaycard to record this on their system as this isn't what they'd agreed to do.

I think it was reasonably clear Barclaycard were only going to apply a suspension for 30 days at a time, which is what they did. I think this is evident from the call in February 2024 when Barclaycard's agent said, regarding the interest, *"I can put another hold on it for the next 30 days. If it goes on after your payment due date in April then just give us a call and we can redo that for you."*

I've listened to the two-part call on 12 August 2024 and I don't think it gives the impression that Barclaycard would only be charging interest after the 12 August 2024. Barclaycard said, *"the suspension has now been removed from the account and unfortunately we are not able to agree to suspend that again or remove any interest that's going to accrue."*

Barclaycard also said that although Ms J was waiting on the motor ombudsman, *"that doesn't mean it's not payable to Barclaycard or that interest won't be applicable going forward."* Barclaycard then sent a letter to Ms J on 13 August 2024 saying interest will be charged.

Ms J said Barclaycard's wording here created a reasonable expectation that she wouldn't be charged interest before 12 August 2024. That wasn't my impression of the call, as Barclaycard were clear that the suspension had already ended and wouldn't be renewed, which would have meant interest was accruing. And I don't think it's inaccurate or misleading to say interest will be charged – as it was going to be charged in line with the terms and conditions of Ms J's account once the suspension was lifted.

I don't doubt Ms J's expectations here and the disappointment she's felt but I haven't identified she's entitled to the interest refund she's seeking. Nor do I think I could fairly expect Barclaycard to continue to extend their goodwill gesture in these circumstances.

I know this will be an upsetting outcome for Ms J as she feels all the detriment falls on her in these circumstances. I am sorry not to be able to assist Ms J, but I am unable to uphold her complaint because I haven't found that Barclaycard have treated her unfairly.

My final decision

For the reasons I've outlined, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms J to accept or reject my decision before 7 August 2025.

Clare Burgess-Cade
Ombudsman