

The complaint

Miss P is complaining that Barclays Bank UK PLC trading as Barclaycard (Barclays) didn't agree the repayment plan she offered and unfairly defaulted her account.

What happened

Miss P took out a credit card with Barclays in 2009, on the whole this was managed well until Miss P started to miss payments to the account in around May 2024.

After the first missed payment Barclays wrote to Miss P and asked her to make payment to the account or get in touch if she was struggling to make the payment. When no payment was received it wrote to her again and after contact from Miss P a 30-day hold was put on the account in June 2024. This meant no interest would be applied in this time and Miss P wouldn't be chased for the debt in that time, but it wouldn't prevent negative information being reported to the credit reference agencies (CRA).

Miss P made a token payment in August and offered to make a payment of £30 a month from September 2024 onwards. Barclays attempted to contact Miss P about the situation but received no response. By 8 September 2024 the account was in arrears by more than £100 and so Barclays sent Miss P a default notice. This let Miss P know how she could get in touch with them to set up a payment arrangement and how much needed to be paid and by when for the account to avoid default on 9 October 2024.

On 2 October 2024 Miss P sent Barclays an income and expenditure form along with an offer to pay £25 a month towards the account. Barclays reviewed the information but didn't accept Miss P's offer of a payment arrangement. It said from its review, Miss P didn't have enough disposable income to enter a payment arrangement and so the account defaulted on 9 October 2024.

Miss P said she suffered severe anxiety and depression after her mother passed away which meant she found it difficult to deal with her finances and the situation that arose with Barclays. She felt the offer of a payment arrangement was reasonable and said Barclays should have let her know about its concerns, to see if something could be worked out before defaulting the account.

Miss P has said she disclosed her situation to Barclays but feels Barclays failed to treat her appropriately or find a tailored solution for her which has had a lasting impact on her financial and mental well-being. Miss P is also concerned that a default will have an impact on her employment given the type of work she does.

In October 2024 Miss P complained to Barclays about the default. Barclays responded saying that it didn't think it had acted unfairly and that it wouldn't be removing the default. So, Miss P referred the case to this service.

One of our investigators considered the case but didn't agree that Barclays had acted unfairly and so didn't ask it to do anything further.

Miss P was unhappy that our investigator hadn't recommended the default be removed and felt Barclays had failed to treat her fairly given her circumstances. So, she asked for a decision – and the complaint's been passed to me.

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 outcome as our investigator. I'll explain why.

I think it would be helpful to set out here that the Information Commissioner's Office (ICO) says when a consumer is at least three months behind with their payments then a default may be registered. By October 2024 Miss P had been over her credit card limit and unable to make the contractual monthly repayments since May 2024. So, I think Barclays was acting in line with the ICO guidance, when it defaulted her account.

I can see Barclays made several attempts between May 2024 and October 2024 to engage with Miss P, making her aware of the position of her account, offering support, providing details of independent debt advice charities and letting her know what might happen if she didn't make payment to the account or contact it about any difficulties she was having. I can also see it gave her the required notice before the account was defaulted.

It's clear that Miss P was having a difficult time, so I've gone on to consider whether Barclays treated her fairly in light of her circumstances. I've carefully considered what Miss P has said about the difficult circumstances with her mental health in the lead up to the default. I'm sorry to hear of her situation and this service expects a business to treat customers who are experiencing difficulties positively and sympathetically. In this case, I can see that Barclays wrote to Miss P about the arrears, offered her support, and signposted her to agencies who could provide help. Barclays agreed a hold on the account to allow Miss P some time to consider her options when she contacted it in June 2024 to explain her circumstances. All of this is in line with what this service would expect.

Even in her difficult circumstances, I can see that Miss P did engage with Barclays and offered to repay the account at £25 a month. I understand there was some issues with the income and expenditure and how Miss P's disposable income was calculated. It appears Miss P believed she would have around £31 disposable income each month which she could use £25 of to repay the credit card debt. However, Barclays calculated that Miss P would have a disposable income of around £13 and so concluded a repayment plan wouldn't be affordable.

I can understand Miss P's concern about the calculations here, but looking at the figures, I'm not persuaded that either hers or Barclays figures are quite right. Neither takes account of all of Miss P's out goings listed across the income and expenditure forms. If I account for all of this expenditure, Miss P would be left with a deficit of a few pounds each month. This means that Barclays wouldn't have been able to accept any offer of a repayment arrangement had the calculations been correct. Even if Miss P did have a disposable income of around £30 a month as she thought, I still don't think it would have been reasonable for Barclays to have accepted the offered repayment plan. I say this because it's expected that when considering repayment plans businesses will leave customers with a reasonable amount of disposable income to meet any unexpected costs. And I'm not persuaded that a repayment plan based on a disposable income of around £30 would have allowed for that.

I must also consider that even if Barclays had accepted Miss P's offer of a repayment plan, I can't reasonably conclude this would have prevented the account from defaulting. Miss P's

account was already more than 3 months in arrears by October 2024, and I haven't seen anything that persuades me that Miss P would have been able to repay the arrears and make the contractual monthly repayments within a reasonable amount of time.

I empathise with Miss P's situation but on the evidence available, I can't reasonably say that Barclays shouldn't have defaulted the account, or that it didn't give Miss P adequate notice of what would happen if she didn't make payment to the account or contact them. I also think Barclays offered Miss P the support we would expect, and I don't think it was unreasonable for it to not agree a payment arrangement on the information available to it.

Miss P wants the default removed from her account – and I don't doubt how upsetting this is for her. But, as I've explained, Barclays gave Miss P notice that the account would default, and I can't see that Miss P was in a position to get the account back on track, or agree an affordable repayment plan to avoid the default. I do understand why that was the case, but unfortunately, I can't fairly say Barclays has acted unreasonably and should remove the default.

My final decision

My final decision is that I don't uphold Miss P's complaint about Barclays Bank PLC for the reasons I've set out.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 15 October 2025.

Charlotte Roberts
Ombudsman