

The complaint

Mrs B complains Barclays Bank UK PLC trading as Barclaycard unfairly terminated her credit card and reported a default on her credit file.

What happened

The background to this complaint is well known to both parties, so I won't repeat it at length here. In summary, Mrs B held a credit card with Barclaycard for a number of years.

In September 2024, Barclaycard issued a notice of default on the basis that Mrs B's credit card was in arrears. It then defaulted the agreement at the end of October 2024, as it said arrears remained outstanding and reported the default to credit reference agencies (CRAs).

Mrs B was unhappy with Barclaycard's decision to default her agreement and raised a complaint. Mrs B said she'd been open with Barclaycard about her personal circumstances and didn't think it had offered compassionate or tailored support to assist her, during what it knew was an incredibly difficult time.

Barclaycard considered Mrs B's concerns but didn't agree it was wrong to default the account. It says it applied a breathing space to Mrs B's account in June 2024, and then tried to discuss the account, but wasn't able to reach Mrs B. As it didn't receive any payment towards the outstanding balance, Barclaycard says it issued the default in line with industry standards.

Unhappy with Barclaycard's response, Mrs B referred her concerns to the Financial Ombudsman. One of our Investigator's looked into what happened, and while empathising with Mrs B's difficult circumstances didn't find Barclaycard was unreasonable in defaulting the agreement when it did, so didn't recommend it remove this.

Mrs B disagreed with our Investigator's opinion. She said Barclaycard had failed to consider its obligations under the applicable laws and regulations in providing adequate support and to avoid causing foreseeable harm. Mrs B said it also isn't possible to remortgage due to the default on her credit file.

As the matter wasn't resolved, the complaint has been 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.

I've given consideration to the relevant rules and regulations applicable to this complaint, including Consumer Duty and while I may not comment on everything (only what I consider is key) this is not meant as a discourtesy to either party, rather reflects the informal nature of our service.

I want to start by acknowledging everything Mrs B has shared with us. I can only begin to understand how challenging the past number of years must have been and I'm sorry to hear of what she's been through. I haven't repeated these circumstances in detail as our Service is required to publish a copy of our decisions, but I want to reassure Mrs B I've carefully considered everything that she's told us.

Having done so, I realise this answer won't be the one Mrs B is hoping for, but I won't be directing Barclaycard to remove the default from her credit file, as I find it was reasonable in the steps it took.

The Information Commissioner's Office (ICO) says that when a consumer is at least three months behind with their payments then a default may be registered. It also says it would usually expect a default to be registered by the time the consumer is six months behind with their payments. That's what happened here.

Mrs B was in a sustained period of arrears – beginning in June 2024 with no payment being made to remedy the breach in the default notice issued in September 2024. Because of this Mrs B's credit card account was closed and a default reported to the CRAs.

Therefore, it appears, Barclaycard complied with the guidance set out by the ICO and was reasonable in its decision to default the account given the persistent state of arrears.

Barclaycard is also required to report accurate information to the credit reference agencies to reflect how a person has managed their account. I'm satisfied that Barclaycard reporting missed payments and a default is an accurate reflection of how Mrs B's account. I appreciate Mrs B's comments that this reporting doesn't provide context of her circumstances at the time, but in considering Barclaycard's responsibility to provide accurate information I don't find the reporting to be unfair or inaccurate.

I've taken on board Mrs B's comments that Barclaycard should have done more to support her in light of her circumstances, which meant she's considered a vulnerable customer. I realise Mrs B has been through an incredibly challenging time personally through no fault of her own, however in considering whether Barclaycard has done something wrong, I haven't found it has.

Mrs B spoke with Barclaycard in June 2024 and explained having shared details of her circumstances the previous year, that these had progressed, and she required some support with her credit card. Barclaycard applied a breathing space, which it said it can only add in 30-day increments, meaning no interest or charges were applied, but that the account could be at risk of default, if arrears built up.

Barclaycard wrote to Mrs B again in July and August 2024, to say that it had extended the hold on her account and asked that she get in touch to discuss this, again setting out that the account could be at risk of default. As it hadn't received a payment towards the account, Barclaycard then issued a notice of default in September 2024, setting out Mrs B had 30 days to repay the outstanding arrears or agree a repayment plan. Hearing nothing further from Mrs B, Barclaycard proceeded to default the agreement in October 2024. During this period Barclaycard had also attempted to reach Mrs B by phone, without success.

In considering the steps Barclaycard took, I do find these reasonable in the circumstances. Although Barclaycard was aware of Mrs B's situation, I wouldn't then expect it to keep the account running indefinitely or beyond an agreed 'breathing space' without discussing the account further, if no payments were being received.

While I appreciate Mrs B was going through a difficult time and has explained her priorities were on her family, as Barclaycard hadn't been able to discuss the account since June 2024, I don't find it was then wrong to terminate the agreement in October 2024. This also meant no further interest or charges would be applied to the account, meaning the balance Mrs B owed wouldn't increase further.

I've taken on board Mrs B's comments that had Barclaycard tried to contact her via email, she'd likely have been able to respond. However, Barclaycard has explained its policy isn't to discuss or share account specific information via email, alongside this it's required by the regulator to send certain correspondence in writing, including a notice of default and wrote to Mrs B at the address it held for her. Taking all of this into consideration, I haven't then found Barclaycard was unreasonable in how it communicated with Mrs B in relation to her account.

I also understand Mrs B asked Barclaycard to consider writing off the outstanding balance in March 2025. Barclaycard considered and declined the request. While I can appreciate this answer was likely disappointing to Mrs B, I'm satisfied Barclaycard gave reasonable consideration to this request, in line with its policies, based on the information it was provided, so, I don't find it made an error here.

I'm sorry to hear of the impact Mrs B has said the default on her credit file is having and I understand this leaves her in a difficult position. While that's the case, as I haven't found Barclaycard was wrong to terminate the account or record the default, I don't then find that it must reinstate the account or remove the default from her account. I appreciate this answer will likely come as a disappointment to Mrs B, however I won't be directing Barclaycard to do anything further in relation to this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 5 March 2026.

Christopher Convery
Ombudsman