

## **The complaint**

Mr R complains that Barclays Bank UK PLC trading as Barclaycard unfairly defaulted his credit card account.

## **What happened**

In April 2025, following receipt of a default notice, Mr R says he got in touch with Barclaycard. He says during the call he had with it that he was told his account would be put on hold. He said he made a note to contact Barclaycard before his next statement was due to be produced, and when he called back, he was told that his account had defaulted.

Mr R explained that the financial situation he was in wasn't his fault, and that he was owed money which had led to financial difficulties.

Mr R says this situation has caused him a lot of distress. And he feels let down by Barclaycard as he did his best to continue to communicate with Barclaycard on a monthly basis to update it on his position. He adds that Barclaycard didn't make proper attempts to contact him before applying the default, and he says it only contacted him by letter.

To put things right, Mr R would like Barclaycard to remove the default.

Barclaycard responded to Mr R – in summary it explained that it hadn't done anything wrong in defaulting the account in May 2025 – that's because it hadn't received a payment from Mr R since November 2024. However, it said that it felt Mr R had been given the impression that his account wouldn't default (although this hadn't been specifically stated), and so it offered Mr R £100 for this.

An Investigator considered the evidence provided by both parties, but they didn't uphold Mr R's complaint. Ultimately, they found that Barclaycard had fairly defaulted the account. And that Barclaycard had already done enough to put things right in respect of the customer service issues he'd experienced.

Mr R didn't agree with the Investigators view. He felt that if Barclaycard had offered him a repayment plan, then he might not have been in the situation he was in.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

## **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 considered all of the available evidence, I don't uphold Mr R's complaint. I appreciate this decision will come as a disappointment to him, as I can see he has been through a difficult time financially, through no fault of his own. However, being independent means, I

must take a step back and consider the evidence provided by both parties in determining a fair and reasonable outcome. I will explain how I have reached my outcome below.

Before I do that, it's worth noting here that I'm aware I have summarised Mr R's complaint in less detail than he has. I don't intend this as a discourtesy, but merely to reflect my informal role in reaching an outcome. This also means I haven't commented on everything Mr R has said, or all the evidence that has been provided. However, I can assure Mr R that I have seen everything he has sent before reaching this outcome.

The Information Commissioner Office (ICO) sets guidance about when an account should default. In summary, it says this should be when an account is in at least three months of arrears, and it should have defaulted by the time it is in six months of arrears. In Mr R's case, the last payment he made to the account was in November 2024. No further payment was received, and the account defaulted on 22 May 2025. So, Barclaycard defaulted Mr R's account in line with the guidance published by the ICO, and so I'm satisfied that it was reasonable of Barclaycard to have defaulted the account when it did.

I've seen a copy of the default notice dated 13 April 2025; this explains that Mr R would need to pay £1,610.02 before 14 May 2025 to prevent the account from defaulting. No payment was received, and so again, it doesn't seem unreasonable that Barclaycard took the decision to default the account.

I have listened to the call that Barclaycard said happened after the default notice had been sent in April 2025. There is no mention during the call I have listened to of the default notice. During the call, it is agreed that the account will be placed on another 30 days hold. But the advisor didn't make any assurances that this would prevent the default – as I said, there was no discussion about the default notice. That said, I think Barclaycard missed an opportunity here to make it clear to Mr R that the hold wouldn't prevent the account from defaulting. And that he would need to make payment as set out in the default notice to prevent this.

When Barclaycard placed a further hold on Mr R's account – as it had done in months previous, this meant that other than formal letters, Barclaycard wouldn't contact Mr R about the debt, and it would stop further interest and charges being added to the account. However, the hold wouldn't prevent the account defaulting where repayments weren't being made. I agree that Barclaycard could have been clearer in explaining this to Mr R during the call in April 2025; but I don't think it likely that better information would have prevented the default – I say this because Mr R would have been required to pay £1,610.02 before 14 May 2025 to prevent the default. And given that he still hadn't been paid by his employer at this point, I find it unlikely that he would have had the means to bring the account back up to date to prevent the default. In any event, the default notice he was sent made it clear how the default could have been prevented, and action wasn't taken to bring the account back up to date, so I can't fairly find Barclaycard's actions in defaulting the account to be unfair or unreasonable in the circumstances.

I can see that Barclaycard has accepted it could have been clearer in explaining that the account could still default with a hold on the account, and I agree with this. It has paid Mr R £100 to reflect that it could have done better here, and I think that is fair in the circumstances. I say this because while Barclaycard could have been clearer, the information it provided during the call didn't explicitly inform Mr R that the account wouldn't still default. And given that I'm not persuaded clearer information would have led to a different outcome here, I think the £100 is fair and in line with this Service's published guidance to distress and inconvenience awards.

I note Mr R's comments that Barclaycard should have set up a repayment plan for him. But given that Mr R wasn't receiving an income at the time, I don't think it would have been

reasonable of Barclaycard to have done this, in the knowledge that Mr R wouldn't likely to have been able to stick to the repayment plan as he wasn't getting paid. In addition to this, a payment plan may not have prevented the account from defaulting, as arrears would still continue to build up on the account if payments weren't being made in line with the contractual minimum amount due.

Ultimately, Barclaycard are required to report accurate information to the CRA's about how someone has managed their account. And in this case, I think the default fairly reflects that. While I accept that the difficulties Mr R had with his finances were as a result of not having been paid by his employer; this doesn't mean that it was unfair of Barclaycard to have taken the action it did.

### **My final decision**

For the reasons set out above, I don't uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 4 February 2026.

Sophie Wilkinson  
**Ombudsman**