

The complaint

Ms V complains that Barclays Bank UK PLC (“Barclays”) defaulted her loan account and sold it to a debt purchaser, which she says was unfair and is causing her financial hardship.

What happened

In 2022, Ms V entered into a loan agreement with Barclays. The loan was repayable by monthly instalments over 60 months. In early 2024, Ms V began to struggle with the repayments due to a number of factors which were impacting on her finances and causing difficulties.

She contacted Barclays and explained her circumstances. She said that she was in the process of selling a property, which would release some funds. Ms V maintained contact with Barclays from this point onwards. But unfortunately, her account fell into arrears and she continued to struggle financially.

In July 2024, Barclays sent Ms V a default notice. She managed to pay off the arrears in time to prevent the default. But the account fell into arrears again shortly afterwards. Barclays sent a further default notice in January 2025. Ms V wasn't able to clear the arrears by the deadline and Barclays defaulted the account the following month. In March, it sold her account to a debt purchasing business which I'll call P.

Ms V was very unhappy about this and complained to Barclays. She didn't think it was fair that it had defaulted her account and said it should have given her more time, as other creditors had done. She's very concerned about the impact on her credit file and how this is affecting her financial situation. She was also unhappy about the service she'd received from Barclays, which she found to be inconsistent, unsupportive and generally poor.

Barclays didn't think it had done anything wrong by defaulting the account and said it had followed the correct process. It accepted that a self-help hold hadn't been applied to Ms V's account correctly, although it didn't think this impacted the later default. And it apologised that an agent had called Ms V without waiting for her to confirm if it was a convenient time to speak. Barclays offered Ms V £50 for the distress and inconvenience this caused, but this hasn't been paid as Ms V declined the offer.

As Ms V wasn't happy with Barclays' response, she brought the complaint to this service. She would like Barclays to remove the default from her credit file.

Our Investigator thought that Barclays had acted fairly and didn't think it needed to take any further action. But Ms V didn't agree. She thought that Barclays should have given her more time to pay, rather than defaulting her account. She asked for the complaint to be reviewed by an Ombudsman.

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.

Ms V feels strongly about this complaint and has provided a good deal of information for me to consider. She has been through a very difficult time and I'm sorry to hear about that. I'd like to assure her that I have taken into account all the information she has provided in order to reach my decision. But, in writing this, I've focused on what I consider to be the key points. So, if I don't comment on a specific point here, it's because I don't think I need to do that in order to set out my findings clearly and concisely.

Where a customer is experiencing financial difficulty, I'd expect the lender to treat them positively and sympathetically and show forbearance. I think Barclays did that here. It didn't agree to Ms V's request for a payment holiday and it didn't have to. But I find that it did put a range of other measures in place to help her. It placed Ms V's account on hold on at least two occasions, during which time it suspended interest and charges and stopped contacting her. It provided the details of some free debt advice agencies. It cancelled Ms V's direct debit. And it offered to look into alternative repayment solutions.

Barclays asked Ms V on numerous occasions to provide information about her income and expenditure. This was so that it could consider a payment plan or other options for paying off the arrears. I think that was reasonable, particularly as over time I think it was clear that Ms V's difficulties were ongoing.

Ms V didn't want to go through her income and expenditure or discuss the details of her finances with Barclays. She declined to do so on numerous occasions. She says that she provided some information about her finances over the telephone and thinks this should have been sufficient. But I don't think it's unreasonable that Barclays wanted more detailed information, including about her income. I think Barclays' requests were reasonable, as I wouldn't expect it to put a payment plan in place without checking that it would be realistic and affordable for Ms V.

In any event, Ms V said she didn't want to set up a payment plan and preferred to deal with the arrears herself. I can understand her point of view. But, in the circumstances, I don't think Barclays could have done more to help her.

Barclays defaulted Ms V's account in February 2025. By this time, her account was more than three months in arrears and there was still no arrangement in place. Ms V says that she just needed a little more time for the property sale to complete so that she had the funds to pay off the loan. I understand that the property sale was fraught with difficulties which were not of Ms V's own making, and that she is pursuing complaints against her solicitors in relation to that. I can imagine how frustrating that was for her. But, from Barclays point of view, she had been saying for around one year that she would soon have the funds from the sale to be able to clear the debt. I don't think Barclays could reasonably be expected to wait indefinitely, and it had no way of knowing how soon Ms V would be in funds. So, I think it was reasonable for Barclays to treat the account as defaulted.

I find that the account was defaulted on 21 February 2025, after the default notice expired. Ms V received the funds from her property sale in late May 2025. She paid off the loan as soon as she received these funds. But this was three months after the default. So, it wasn't so close to the default date that I think it would be fair to ask Barclays to remove the default.

Ms V was concerned that two defaults had been recorded on her credit file in relation the loan; one by Barclays and one by P. But she has confirmed that there is now only one default showing on her file, so I'm not going to make any findings about that issue.

I understand that Ms V has had a different experience with other creditors, who she says have not defaulted her accounts. But that doesn't mean that Barclays actions were unfair.

Turning to the service Ms V received, Barclays accepted in its final response letter that it had made some mistakes. It offered Ms V £50 for the distress and inconvenience these caused. Ms V should contact Barclays directly if she now wishes to accept this offer. But, having reviewed all the evidence available to me including listening to the call recordings, I don't think Barclays treated Ms V unfairly so I'm not going to ask it to take any action.

In conclusion, I don't think Barclays needs to do anything to resolve this complaint. I understand that this will be disappointing for Ms V. She says that the situation has affected her quality of life and had a disproportionate impact; I'm sorry to hear that. But this complaint is about Barclays' actions in relation to the loan account, so that's all I'm looking at here. I don't think Barclays treated Ms V unfairly or unreasonably. So, I'm not going to ask it to do anything.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms V to accept or reject my decision before 1 January 2026.

Katy Kidd
Ombudsman