

The complaint

Mr R complains Barclays Bank UK Plc trading as Barclaycard unfairly defaulted his account. Mr R is also concerned Barclaycard retrospectively and inconsistently altered his credit history.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements of this below, and they form part of this final decision.

Mr R has explained in early 2021 he was unfortunately suffering from significant financial difficulties and managing his diagnosed health condition. Mr R contacted Barclaycard on 26 April 2021 to tell them he was getting help from a debt charity (I'll refer to them as S). Mr R says despite being aware of his vulnerability, Barclaycard sent him a number of confusing and contradictory letters. This included a formal default notice – while also telling him to carry on making his payments. On 1 July 2021 Mr R went into a Debt Management Plan (DMP) with S. Mr R says despite this, Barclaycard went on to register a default on his credit report. He's also said over the last four years Barclaycard have reported at least three different and conflicting version of events from 2021.

Barclaycard said while they were aware of Mr R's vulnerability, this doesn't stop the default process. They said they're required to report accurate information to the credit reference agencies (CRAs), and agreeing to the DMP with S led to the default being applied. Barclaycard explained the chain of events and said sorry Mr R felt the termination notice sent 11 June 2021 was threatening or unsupportive as that wasn't their intention. Overall, they didn't think they'd done anything wrong.

Unhappy with this Mr R asked us to look into things. One of our Investigators found Barclaycard had applied the default fairly.

Mr R didn't accept this. I've reflected what I consider to be the key points he's made:

- *His case is built on the undeniable evidence Barclaycard altered his credit report over the last few years but this hasn't been addressed.*
- *Our purpose is to ensure Barclaycard treats him fairly and we've said that isn't our role.*

As Mr R didn't accept our Investigators outcome, the complaint has been passed to me to decide.

Before doing so, I arranged for us to ask Mr R for a bit more detail about his concerns regarding Barclaycard altering his credit report. I've explained Mr R's comments and my findings on this below.

What I've provisionally 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 think it's important to explain I've considered all of the information provided by both parties in reaching my decision. If I've not reflected or answered something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to reflect my informal role in deciding what a fair and reasonable outcome is.

Have Barclaycard fairly applied a default

The Information Commissioner's Office (ICO) says financial businesses should usually apply a default at the earliest when someone is three months in arrears, and no more than six months in arrears. I think this is a reasonable standard to apply, so I'll consider these timeframes in Mr R's case.

I should also explain that entering into a DMP doesn't prevent a lender from applying a default. Often a lender will register a default, taking into account the above timeframes from the ICO, when they believe their customer won't be able to repay any arrears. Entering into a DMP for a period of time is a very clear indication someone's financial situation likely means they won't be able to recover any arrears. I'd also add registering a default earlier – if it's appropriate to register one in the first place – is usually more beneficial for people. The reason for that is because a default is applied to someone's credit report for six years – so the earlier it's applied, the earlier it'll drop off.

I'm aware Mr R doesn't believe a default should have been applied at all, so I've looked at what happened.

The statements I've been provided with from Barclaycard show from February 2020 to December 2020 Mr R was making his minimum payment.

Mr R's statement dated 23 December 2020 says no minimum payment is due, and it's noted the account is on a Pandemic related payment holiday due to temporary financial difficulties.

The statements for January and February 2021 contain the same information. The March 2021 statement shows a minimum payment due of £48.19. Mr R made this payment, and the minimum payment showing as owed on the April and May 2021 statements.

The first statement I can see showing no minimum payment being made is June 2021. A payment of £43.95 was owed by 22 June 2021 and the statement doesn't show the payment happened.

I've seen Barclaycard's system notes to show Mr R called in on 26 April 2021 and told them he was having financial difficulties and was in touch with a debt charity. I've seen the letter they sent Mr R the same day putting his account on hold while he worked things out with the debt charity – and that they wouldn't charge interest. It's reflected in the statements that no further interest is charged.

The next letter is dated 11 June 2021 and tells Mr R he's not made the minimum payment he should have. This isn't reflected in the statements, so I'm a little confused by this.

But, I don't think this makes a material difference. I say that because Barclaycard continued to follow the default process – by sending a Default Notice on 23 June 2021 – and then confirmed they'd applied a default in a letter dated 16 August 2021.

As Mr R wasn't making the contractual payments – starting from the May 2021 statement which asked for £43.95 – at this point he was in breach of the terms of his credit agreement.

So, continuing down the process of a default is something I think was fair and reasonable for Barclaycard to do – and in line with the ICO's timeframe of three to six months.

Barclaycard didn't decide to apply the default until 16 August 2021. But, the default is recorded as 16 June 2021, and I understand Barclaycard have taken the decision to use this date because it's when Mr R told them he was entering into a DMP. This is of benefit to Mr R, because as I said above the earlier it's recorded the earlier it's removed.

Taking everything into account, I'm satisfied Barclaycard have fairly applied a default to Mr R's account.

Have Barclaycard unfairly altered his credit report

As I explained above, I arranged for us to ask Mr R for a bit more detail about why he felt Barclaycard had unfairly altered his credit report. I thank him for his prompt and clear reply.

Mr R says in his credit report dated 2021 and 2022 these only show the account in a state of rolling arrears – and no default has been reported. But, his more recent 2025 credit reports show Barclaycard retrospectively added a default dated 16 June 2021.

I've considered each of Mr R's reports and have done a comparison to see what's happened.

As I mentioned above, Barclaycard made the decision to default Mr R's account in August 2021. But, they backdated this to June 2021 because that's when Mr R told them he'd be entering into a DMP.

Given that's to Mr R's benefit, I don't question that decision – but it does explain why Mr R's 2021 credit report doesn't show the default – because it's dated 22 July 2021. At this point, Barclaycard hadn't defaulted the account. So, I've no concerns this isn't showing on there.

I've next checked Mr R's 2022 credit report – dated 10 January 2022. This credit report was provided to us by Mr R – and on page 16 / 17 is the entry for Barclaycard. The report does show the default dated 16 June 2021 on page 17.

Mr R's credit report dated 16 March 2022 has the Barclaycard record split over pages 15 / 16 – and the Barclaycard entry shows the default as 16 June 2021 on page 16.

The credit report dated 16 February 2025 doesn't show the Barclaycard account which – given all the previous reports are from the same credit reference agency – is unusual. But, not all lenders are required to report all accounts to all credit reference agencies. Why it's not reported I don't know, it could be this, but in any event this is to Mr R's benefit. So, I've no concerns about this.

The final credit report I've been provided with is dated 6 April 2025. This does show the Barclaycard account with the correct default date. Given this is a true and accurate reflection of what happened, I don't think there is anything wrong in Barclaycard reporting this – even though for some reason it wasn't reported two months earlier.

I'd expect the default to be reported for six years from the date of default. Given Barclaycard have chosen 16 June 2021 for this date, it should come off Mr R's credit report shortly after 16 June 2027.

Overall, while I understand Mr R will be disappointed, from what I can see Barclaycard haven't done anything wrong when they have reported the account. And by not reporting the account I can't see this would cause Mr R any detriment.

Responses to my provisional decision

Barclaycard replied and said they had nothing further to add.

Mr R replied and said as a vulnerable customer with a diagnosed mental health condition it does make it difficult to navigate complex financial information and credit agreements. Mr R went on to say he had re-reviewed the credit reports and agreed they showed things correctly. But he said his core complaint has always been about the fundamental fairness of the default being applied.

Mr R provided a timeline, and said he'd received an 'on hold' letter, as well as confirmation of his account being managed by S. He asks, as a vulnerable customer, how was he supposed to know whether to follow the 'on hold' letter information, what S were telling him, or ignore both and continue making payments. He said he'd only missed one payment in June 2021 before Barclaycard sent a default letter. Overall, Mr R felt the default should be removed.

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'd like to firstly thank both parties for their prompt response, and for Mr R's comments regarding the credit report information. As he now accepts this, I'll focus on the default.

I won't pretend to fully understand how difficult complex financial circumstances are for Mr R – as I can't know. But, my role is to consider whether Barclaycard have acted fairly or not in their overall handling of Mr R's account taking into account his specific circumstances and everything else that happened. I've thought carefully about Mr R's comments. I'm going to focus on what I consider to be the key points.

Mr R is right – in that the statements I have, these show he didn't make the payment due from the May statement (which would have been due in June – as he's said). So, he has only missed one payment before Barclaycard have started the default process.

But, Mr R had told Barclaycard he was asking S to support him in making his payments. Whenever someone says that, they're suggesting they can't afford to make the minimum payments.

By not making the minimum payments, this meant Mr R was in breach of the agreement he had with Barclaycard to always make them. So, Barclaycard started the default process knowing Mr R wasn't going to make the minimum payments in future.

This is to Mr R's benefit. The reason being is Barclaycard have acted fairly in applying a default – because Mr R was in breach of his contract by not making minimum payments.

And, by applying the default earlier than perhaps the ICO guidance suggests, this also benefits Mr R. The reason for that is because it'll be removed from his credit report on / after 16 June 2027 – instead of 16 August 2027.

I realise Mr R may feel like Barclaycard never should have applied a default – possibly because he was entering into a plan with S – but that isn't correct. Even when on a plan, Barclaycard could apply a default if the contractual terms aren't met – such as not making minimum payments like Mr R.

I do also understand why Mr R has focused on the timeline and that things were confusing for him – but overall I have to decide if Barclaycard have acted fairly. In the circumstances, I'm satisfied Mr R's account was always going to be defaulted once he told them he couldn't afford his minimum payments. So, I won't be asking them to remove the default – and as the date benefits Mr R, I won't be asking them to change that either.

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 Mr R to accept or reject my decision before 12 December 2025.

Jon Pearce
Ombudsman