

The complaint

Mr P complains that Barclays Bank UK PLC failed to notify him about his loan arrears. He's also unhappy about the customer service he received.

What happened

In December 2007 Mr P took out a loan from Barclays. The terms and conditions of the loan state that the interest rate will be charged at 1% per annum above the banks base rate. The terms and conditions also state that Barclays will advise Mr P of any variation in the amount, with a review taking place each year in the same month that the planned final loan repayment is due.

Mr P set up a standing order to make his monthly loan repayments.

Barclays reviewed the loan annually and sent Mr P letters advising him to amend his standing order when a payment change was needed.

In September 2023, following a rate review, the repayment amount changed from £143.32 to £159.41. It changed again in June 2024 from £159.41 to £161.07. Barclays sent letters to Mr P to advise of the changes, but Mr P didn't amend his standing order. This led to the loan account falling into arrears. It also led to the credit limit being reduced on Mr P's credit card.

Mr P cleared the arrears in July 2024 and raised a complaint with Barclays. He said he hadn't received the letters about the payment changes.

Barclays didn't uphold the complaint. It said it had sent letters to Mr P in September 2023 and June 2024 about payment increases. It said it was unable to provide copies of the letters. Barclays acknowledged that it could've provided better service to Mr P when he contacted them about the issue and paid £200 compensation and credited £13.09 to Mr P's account as a gesture of goodwill.

Mr P remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. She said that Barclays had provided evidence to show that the letters had been issued to Mr P. The investigator said it wasn't Barclays responsibility to ensure delivery of letters as this was beyond their control. The investigator said that the compensation paid by Barclays for the poor service that Mr P experienced when he called about the issue was fair.

Mr P didn't agree so I've been asked to review the complaint.

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 know it will disappoint Mr P but I agree with the investigator's opinion. I'll explain why.

I've reviewed the terms and conditions of the loan agreement. These state that the interest rate will be reviewed and that Barclays will advise Mr P of any variation in the repayment amount.

I've also reviewed the repayment history for the loan. I can see that Mr P makes repayments by standing order and that in the past, Mr P has amended his standing order to cover the new repayment amount following a rate review.

Based on what I've seen, I'm satisfied that Mr P was aware of his obligation to amend his standing order to meet any new loan repayment amount.

I've reviewed the system notes provided by Barclays. These show that letters were sent to Mr P in September 2023 and June 2024 advising him of the new repayment amount.

Mr P has complained that he didn't receive these letters, and he's questioned whether they were sent. He says Barclays hasn't provided copies of the letters or any proof that the letters were sent.

This service asked Barclays to provide evidence that the letters were sent to Mr P. Barclays has provided evidence in the form of a list of loan agreement numbers which includes Mr P's loan agreement number which shows that rate change letters were issued. Based on the evidence provided, I'm satisfied that the letters were issued and sent.

I'm unable to say why Mr P didn't receive the letters. It's possible that they went astray in the post. This isn't something that I can fairly hold Barclays responsible for, as they have no control over Royal Mail.

I understand Mr P's frustration about what's happened. I can see that as soon as Mr P became aware of the arrears, he cleared them. Unfortunately, Mr P didn't amend his standing order at this time, so further arrears accrued the following month. These have been credited by Barclays as a gesture of goodwill, which I think is fair. However, I can't say that Barclays has acted unfairly by reporting the arrears. All lenders – including Barclays – are under an obligation to report accurate information to the credit reference agencies. I haven't found anything to suggest that Barclays made an error in reporting the arrears so I can't ask Barclays to amend Mr P's credit file.

I'm aware that as a result of the arrears, Barclays reduced Mr P's credit limit on his credit card. The terms and conditions of Mr P's credit card account state that Barclays can amend the credit limit. Lenders have the right to reduce a credit limit in response to information received from credit reference agencies, which is what's happened here.

For the reasons I've explained, I'm unable to uphold the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 25 December 2025.

Emma Davy
Ombudsman