

The complaint

Mrs C has complained that Barclays Bank UK PLC trading as Barclaycard forced her to go onto a payment plan she didn't want to enter.

Mrs C is being represented by her husband, for the sake of clarity when I refer to Mrs C I mean both her and her representative.

Background

Mrs C has a Barclaycard credit card and has always opted to make the minimum monthly repayments on the card. She has no history of missed payments or arrears and explains she has been a customer of Barclays for over 20 years.

In April 2025 Mrs C received a letter explaining that her account was in 'persistent debt' and that Barclaycard required her to either clear the balance, which was more than £16,000, or enter a paydown plan. The paydown plan would enable Mrs C to repay the amount owed over four years with fixed monthly repayments and a reduced interest rate and wouldn't appear on her credit file. However, it also meant she would no longer be able to use the card.

Mrs C has said she didn't want to enter the plan and would rather have taken out a loan to clear the amount owed and then continue to use the card. But this wasn't an option and so she felt she had no choice but to accept the plan. She said that prior to April 2025 she had no contact from Barclaycard regarding concerns about how she was managing the card or in relation to persistent debt. She's asked that Barclaycard cancel the plan and allow her to use the card as normal.

Barclaycard has said it sent Mrs C a letter in September 2023 explaining her account was at risk of going into persistent debt because she was only making minimum repayments, which covered the interest and charges owed, but didn't reduce the capital amount she'd borrowed. This letter was then followed up with emails in 2024 and 2025 explaining the account was in danger of being classified as in being in persistent debt and asking her to review her payments or consider a paydown plan. In March 2025, the account was officially classed as being in persistent debt and in April 2025 Barclaycard wrote to Mrs C explaining that she needed to either clear the balance or enter a repayment plan.

Barclaycard has explained that this is a requirement as per the rules set by the Financial Conduct Authority (FCA) and not a commercial decision it made. It said it followed the process correctly, so it didn't think it had done anything wrong and it didn't uphold Mrs C's complaint.

Unhappy with Barclaycard's response Mrs C brought her complaint to our service. One of our investigators looked into it already. He found that Barclaycard was obliged by the rules set by the FCA to treat the account as being in persistent debt. While he accepted Mrs C's testimony that she didn't remember receiving any of the notifications sent prior to the April 2025 letter, he was satisfied the business had tried to contact her multiple times to discuss the account before asking her to set up the paydown plan. So, he didn't think Barclaycard

had acted unreasonably and didn't uphold the complaint.

Mrs C disagreed with the investigator's findings and asked for an ombudsman to review the complaint again and so it's been passed to me for consideration.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so I agree with the findings set out by our investigator and won't be upholding Mrs C's complaint. I know this will come as a disappointment for her, so I've set out my reasoning below.

I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also want to acknowledge that I've summarised the events of the complaint. But I want to assure both parties that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Mrs C's account with Barclaycard has been defined as being in 'persistent debt'. The FCA defines this in the Consumer Credit Sourcebook (CONC) under section 6.7.27 and it essentially relates to accounts where:

"... the amount the customer has paid to the firm towards the credit card balance or retail revolving credit balance over the immediately preceding 18-month period comprises a lower amount in principal than in interest, fees and charges."

Credit providers are obliged by the regulator to monitor accounts and ensure that measures are taken to avoid consumers falling into 'persistent debt' as it essentially puts them in a situation where despite making regular payments to an account the outstanding amount owed doesn't reduce or doesn't reduce significantly over a prolonged period of time.

Both Barclaycard and Mrs C have confirmed that she was making minimum repayments every month to her account, which had a limit of over £16,500. The average balance each month from September 2023 onwards was approximately £16,000 outstanding so Mrs C's monthly repayments, although covering the minimum owed, never reduced the outstanding capital she owed. So, I think Barclaycard was right to identify the account as being in danger of entering persistent debt as per the above definition when it first contacted her in 2023 and invited her to consider increasing the amount she was repaying every month.

However, Mrs C has said that she never received the letter sent to her in September 2023, or the emails that followed in 2024 and 2025. She's explained that the first time she became aware of the issue regarding her account was in April 2025, by which time it had been classified as being in persistent debt and she was informed she had to set up a paydown plan or repay the entire amount owed in full. She said she rang Barclaycard to discuss the matter and asked for copies of the letters and emails sent to her but was told these were unavailable. She has queried why Barclaycard was unable to send copies of these to her but

has since provided this service with copies.

Our investigator has provided Mrs C with copies of the letters and emails sent to her and explained that these were likely sent in bulk and may not have been available to the person she spoke to on the phone in April last year. I've reviewed the internal contact notes and information provided by Barclaycard and am satisfied these were sent to Mrs C in 2023 and 2024. I'm also mindful that Mrs C has explained that the email address registered on her Barclaycard account was inactive for a period of time and not updated until July 2025. So, I think, on the balance of probabilities, that the emails were sent to the address that was on file. And while I can appreciate how frustrating it was for Mrs C to have missed these, I can't say that's the fault of the business or that the evidence doesn't support the notifications having been sent. So, I can't say the business failed to follow the process set by the regulator correctly.

Mrs C has said she was forced into accepting the paydown plan when she contacted the business again in 2025. I can understand why she feels that way. By that time her account had been classified as being in persistent debt and so the only options available to her were to repay the balance in full or accept the plan. Ultimately this is because no action was taken to address the concerns set out in the letters and emails sent between 2023 and 2025. But as I've explained above, while I don't doubt Mrs C when she says she has no memory of receiving these notifications and warnings, Barclaycard has provided evidence that shows they were sent. By the time Mrs C did contact the business she had limited options, but I can't fairly conclude this was because of a failure of the business as it was adhering to the rules it's required to follow.

Mrs C has also queried why her account statements never referenced the account being in persistent debt. The FCA requires businesses to notify consumers directly about accounts that are in danger of falling into persistent debt. And as I've explained above, I'm satisfied Barclaycard did this in the letters and emails it sent to her between September 2023 and April 2025. It's not required to put this information on the statements and so I can't say it was wrong not to do so, although I appreciate why Mrs C feels this would have been more useful for her personally.

Overall, having taken everything into consideration, I think Barclaycard has acted fairly and reasonably in how it has treated Mrs C's account. It has provided persuasive evidence to show it made multiple attempts to contact her, both in letter and by email, between September 2023 and March 2025, which is when the account was formally categorised as being in persistent debt. It is unfortunate the email address wasn't updated on Mrs C's account until July 2025, and so she missed a lot of the emails sent to her, but I can't hold the business at fault for that. And while I accept Mrs C is annoyed by the fact she's no longer able to use the card, I think the business has acted reasonably in requiring her to reduce the amount already owed before it reconsiders offering her access to credit again.

Therefore, because I don't think Barclaycard has acted unfairly or unreasonably, I can't uphold the complaint.

My final decision

For the reasons set out above I don't uphold Mrs C's complaint against Barclays Bank UK PLC trading as Barclaycard.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 8 May 2026.

Karen Hanlon
Ombudsman