

## **complaint**

Mr T complains that as Barclays Bank Plc didn't update his address, he wasn't aware of his overdrawn balance. Mr T wants the bank to remove the default it entered.

## **background**

Mr T had an account with Barclays. He says he told the bank about his new address when he moved in July 2013. Barclays doesn't have any record of this.

Mr T's account was overdrawn. Barclays continued to write to Mr T using the address it held on file. As Mr T didn't reply, Barclays removed his overdraft facility and then defaulted his account.

Mr T was contacted by a debt collection company in 2015. He agreed to repay the debt by instalments. Mr T was unhappy to discover the default a month or so later.

Barclays wouldn't agree to remove the default. It didn't have any record of Mr T telling the bank about his new address. Barclays said Mr T should've been aware that his account was overdrawn. But it paid £100 for any upset caused when Mr T discovered the default.

Our adjudicator didn't recommend that Mr T's complaint should be upheld. She said it was Mr T's responsibility to manage his account. She conceded that it was likely the bank didn't update Mr T's address properly. But she wasn't sure that Mr T would've done anything different if he'd known about the debt. She said this as Mr T didn't clear the outstanding balance once he heard from the debt collection company.

Mr T was unhappy with our adjudicator's conclusions. He said when the debt collection company contacted him he agreed to start paying £50 a month while he investigated the debt further. He is adamant that he told Barclays about his new address. Mr T realised that it was his responsibility to manage his finances. But he explained that he missed the overdraft due to a genuine oversight at a time when he was moving. Mr T is certain he would've repaid the overdraft if he'd heard from the bank.

## *my provisional findings*

I considered all the available evidence to decide what's fair and reasonable in the circumstances of this complaint. I was minded to uphold Mr T's complaint.

I said this as Mr T gave this service this service credible evidence that one of the credit reference agencies recorded an address link dating back to July 2013. The credit reference agency says the information must have been provided by Barclays. It wouldn't have been possible for Mr T to initiate a change to his credit information.

Barclays said it didn't have any record of Mr T asking it to update its records to reflect his current address. It said one credit report didn't show the address link. And that another address link related to a search carried out by Barclays Partner Finance in April 2015. I took account of what Barclays said but based on what I'd seen and Mr T's comments, I was satisfied Mr T gave the bank his new address in or about July 2013.

Mr T says when he moved in with his partner in mid-2013, he started to use a joint account with a different bank. Mr T says he wasn't aware of the outstanding balance on his Barclays

account. I agreed with Barclays that it was Mr T's responsibility to keep track of his finances. But I could also see Mr T's point of view when he said things got overlooked in the move.

I found Mr T's explanation believable because he also had another account with Barclays. This account was in credit by more than £200 but Mr T stopped using it at the same time he moved in about July 2013. Mr T didn't use the other account until he became aware of the debt in 2015.

Mr T gave me copy statements for the joint account that he used from mid-2013 onwards. Although Mr T made regular use of the overdraft facility, he says he had a £4,000 facility. I don't have any reason to doubt Mr T would've used some of this facility to repay the debt to Barclays.

Mr T also pointed out that he had access to credit cards so could've transferred money from those to repay Barclays. And Barclays could've set-off the balance in his other account. This would've reduced Mr T's outstanding overdraft.

Mr T used his Barclays debit card to withdraw £20 in January 2014. But I didn't find that this necessarily means Mr T should've known about his overdrawn balance. Overall, I was persuaded that if Barclays had written to Mr T at his current address, he would've taken steps to avoid the default.

Mr T said he didn't clear the balance when he heard from the debt collection company as it offered him a repayment plan. And that at this time, Mr T didn't know about the default. I was inclined to believe what Mr T says.

#### *my provisional decision*

Subject to anything further that Mr T and Barclays said by 3 March 2016, I intended upholding Mr T's complaint. If so, once Mr T had repaid remaining debt, I would direct Barclays to amend Mr T's credit file.

I didn't require Barclays to pay any compensation to Mr T. It had previously paid Mr T £100 for the inconvenience suffered when he found out about the default. But as I was persuaded that Mr T would've repaid the overdraft in 2014, I considered Barclays should refund any charges and interest that it applied to the debt since it withdrew the overdraft facility.

#### **my findings**

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Barclays didn't comment on my provisional decision. Mr T accepted my decision but asked that I consider ordering the bank to pay more compensation.

Mr T explained that he'd found the experience very stressful. I can understand this was the case. Mr T's complaint has been ongoing since May 2015. In the circumstances, I consider it fair to require Barclays to pay an additional £100 in recognition of the upset caused.

Mr T also said that the default had prevented him and his wife from re-mortgaging. I don't want to appear dismissive of what Mr T says. But I need to consider whether the Barclays' default was the only reason Mr and Mrs T's mortgage application wasn't approved.

Mr T has helpfully given this service some further documentation relating to their mortgage application. But I can't reasonably find that the default registered against Mr T was the sole reason why the application was rejected. The mortgage application was made jointly. It's possible that other factors influenced the decision. And some of the losses Mr T claims may also relate to joint liabilities or those in Mrs T's name. The mortgage request report also says "the decision may have been reached as a result of the information held at the credit agency...". This isn't conclusive enough to decide that Barclays should be required to pay more than the additional £100 I've ordered. I'm sorry that this may come as a disappointment.

Since I issued my provisional decision, Mr T has repaid the debt in full. This means that I can order the bank to amend his credit file immediately. And Barclays should pay any refund of interest and charges directly to Mr T rather than using it to reduce the outstanding balance.

### **my final decision**

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 15 April 2016.

I direct Barclays Bank Plc to do the following in full and final settlement:

1. Amend Mr T's credit file to remove any adverse entries associated with the 2014 default
2. Instruct the debt collection company to amend Mr T's credit file to remove any adverse entries associated with the 2014 default
3. Refund any interest and charges applied to Mr T's account since the overdraft facility was withdrawn
4. Pay Mr T £100 compensation in addition to the £100 already paid.

Gemma Bowen  
**ombudsman**