

complaint

Mrs C said that Barclays' charges are highly disproportionate and have been a key factor in her having to increase her overdraft to pay higher bank charges every month. And that Barclays Bank UK PLC hasn't supported her to get back on top of her finances.

background

This complaint refers to Mr and Mrs C. As the complaint has been brought by Mrs C I will refer to Mrs C in my decision.

Mrs C said that she'd been through redundancy and ill health and due to bank charges she's living at the very end of her overdraft. She said she doesn't live an extravagant lifestyle but finds it difficult to keep her head above water. She's frequently had to exceed her overdraft limit. She's regularly had payments returned. And often has insufficient funds to cover direct debits or standing orders. These events attract bank charges which she said cause her financial hardship.

Mrs C complained to Barclays. She wanted the charges refunded. Barclays said that any charges are applied in line with the terms and conditions Mrs C agreed to when opening the account. As Mrs C didn't agree with Barclays' decision she brought a complaint to our service. Barclays provided a number of letters that it had sent to Mrs C between 2012 and 2019 asking her to either contact them or debt advice services for assistance managing her debt. Mrs C said that she'd not received the letters from Barclays.

An investigator with our service looked into Mrs C's complaint. And found that Barclays hadn't done anything wrong. Mrs C didn't agree with the investigator's findings. So the matter was sent to me to decide.

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 reviewed the evidence I've decided not to uphold Mrs C's complaint. I know Mrs C will be disappointed but I won't be asking Barclays to do any more. I'll explain why.

Between 2012 and 2018 Mrs C's account balance was in general between £2,000 in credit to £5,800 in debit. The account has not held a positive balance since September 2017. The negative balance has increased gradually as the spending on the account is consistently more than the credits to the account. There are over 1,000 pages of statements so I won't go into every month's balance. These figures give a general idea of the balance. There are regular monthly credits to the account which appear to be salary payments.

Between 2012 and 2019 Barclays sent Mrs C six Financial Assistance Letters, 43 Returned Item Letters, three Guarantee Item Letters and one Reserve Letter including an offer for assistance. I've read a selection of these letters. The letters offer Mrs C an opportunity to speak to Barclays on the phone or visit them in branch for assistance managing her debt. The letters also provide phone numbers for National Debtline, StepChange Debt Charity and a website address for Citizens Advice so Mrs C can locate her local service.

Mrs C said that she didn't receive these letters. Whilst I accept there can be issues with the post its more likely than not that Mrs C received at least some of the letters. I have also seen an entry in Barclays account notes that they tried to give Mrs C financial advice and details of the National Debtline over the phone but Mrs C could not take the details as she was driving.

Credit providers are expected to act fairly towards a consumer in financial hardship. I've reviewed the charges and the terms and conditions of the account. The charges applied by Barclays don't breach the account terms and conditions. Although the charges won't have helped Mrs C, Barclays have done what I would have expected them to do in the circumstances. On a number of occasions Barclays have refunded charges to Mrs C on compassionate grounds.

The standards of Lending Practice state that Firms should demonstrate an empathetic approach to the customer's situation, listening to and acting upon information provided by the customer with a view to developing an affordable and appropriate solution.

The first thing I'd expect the credit provider to do is listen to the customer about their situation and discuss what help is appropriate. It would be a good idea for Mrs C to contact Barclays and take advantage of the assistance they have offered, to help her with her debt and financial management. Mrs C also has the option of contacting the National Debtline, StepChange Debt Charity or her local Citizens Advice Service if she wishes to do so.

Essentially Mrs C's case is that Barclays' charges have caused her situation. Having reviewed Mrs C's account there are several examples of spending that have had a bearing on her financial situation. Charges have been a factor in increasing her debt but several other things such as holidays have had a much greater contribution than the charges.

my final decision

For the reasons I've given my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 8 November 2019.

Anthony Coyne
ombudsman