

## **complaint**

Mr M complains that Barclays Bank Plc (trading as Barclaycard) didn't waive interest and charges while he was experiencing financial difficulties.

## **background**

Mr M had two credit card accounts with Barclaycard. He began to experience financial difficulties in March 2015 and entered into a debt management plan via a debt charity on each account. This led to Barclaycard reducing the interest rate it was charging Mr M. But he didn't adhere to the agreed repayments due to his financial difficulties. So, Barclaycard passed his accounts to a debt management company in September 2016.

In 2018 Barclaycard told Mr M that, following a remediation exercise, Barclaycard refunded interest and fees – that had accrued on both of Mr M's accounts from April 2015 until September 2016.

Mr M wasn't happy with this and complained to Barclaycard. He said it should've waived interest and fees while he was experiencing financial difficulties. He also felt that these charges had forced him to enter into a debt management plan. Barclaycard offered him £75 compensation to resolve his complaint. But Mr M rejected this offer because he felt it should pay more given what happened and the stress and upset this caused him.

So, Mr M brought his complaint to us. Our investigator looked into this and, while they empathised with Mr M, didn't think that Barclaycard needed to do anything more here. They thought the £75 compensation it had offered was fair. Mr M disagreed and asked for the matter to be referred to an ombudsman.

## **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've reached the same overall conclusion as the investigator for broadly the same reasons. I appreciate Mr M feels very strongly about this matter and will be disappointed with my decision, so I'll explain why.

Mr M says Barclaycard hasn't dealt with him as positively and sympathetically as other banks or credit providers have. But this complaint is about what Barclaycard has done to resolve Mr M's complaint. So, I can't comment on the actions taken by other lenders when dealing with customers in financial difficulties.

From what I've seen Barclaycard applied interest and charges to Mr M's accounts in accordance with the account's terms and conditions. It's not disputed that Mr M contacted Barclaycard about his financial difficulties. In these circumstances, Barclaycard is required to deal with the situation positively and sympathetically. But this doesn't mean they have to waive or refund all interest. They can reduce the interest rate instead as Barclaycard initially did here. In addition to accepting reduced monthly payments as recommended by the debt charity. So I think Barclaycard did treat Mr M positively and sympathetically at this time.

Mr M said that by not suspending interest when he first contacted it, Barclaycard forced him to enter into a debt management plan. I can see Mr M has referred to calls he had with Barclaycard when he says he made this clear to it. I know Mr M has very strong feelings on this point. But Barclaycard's records don't show any record of these calls.

But even if this conversation did take place, that doesn't mean Barclaycard would have or should have suspended all interest at that time. As mentioned above, reducing interest below the contractual rate can be considered positive and sympathetic. And as this is what Barclaycard ultimately did, I don't think it's likely that Barclaycard would have suspended all charges. And even if it had, I don't think this would've prevented him from entering into a debt management plan. I say this because it would mean the interest and charges applied by Barclaycard were the sole reason why this plan was needed. And having seen an extract of Mr M's debt management plan, I can see he owed a substantial sum of money to at least 10 other creditors. So, I'm not persuaded that the interest Barclaycard applied was the sole reason for him having to enter into an agreement of this type.

For completeness, I've also looked at what happened after Mr M defaulted on his debt management plan and I don't think Barclaycard acted unreasonably when it sold his accounts to a debt management company. This is a commercial decision it's entitled to take if a customer isn't meeting their contractual repayments. If Mr M is unhappy with how the debt management company is treating him, this is something he'll need to take up with it directly as it's outside the scope of this complaint.

Barclaycard has since reviewed Mr M's accounts and has refunded the interest Mr M has complained about. It's also agreed to pay Mr M an additional £75 compensation.

I appreciate the reasons why Mr M brought this complaint to our service. And I sympathise with the difficulties he found himself in. But I don't think Barclaycard has treated him unfairly. In refunding all interest and charges from April 2015 until September 2016, I consider that Barclaycard has put Mr M back in the position he'd have been in had his accounts been frozen when he began to experience financial difficulties. So, he hasn't lost out financially as a result of Barclaycard applying the interest and charges it did.

It's also offered £75 for any trouble and upset that it may have caused, which I think fairly recognises what happened. So I'm not going to ask it to do anymore.

### **my final decision**

My final decision is that I don't uphold this complaint. I'll leave it to Mr M to decide whether he wishes to approach Barclays Bank Plc (trading as Barclaycard) to accept the £75 it offered to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 January 2019.

Julie Robertson  
**ombudsman**