

complaint

Miss J complains that Barclays Bank Plc unfairly and unreasonably refused to remove default information it had registered on her credit file in respect of two current account debts.

background

Miss J says that, over a period of time, she was the victim of an abusive relationship and this resulted in her also suffering from significant mental ill health. She explains that, because of this, she was unable to prevent her former partner making unauthorised current account drawings or to keep Barclays properly informed when she was obliged to move at short notice.

When she recently applied for a mortgage, she became aware that default information was registered against her name with credit reference agencies in respect of the final balances on the current accounts. She considers that, given the circumstances in which the debts were incurred, it would be reasonable for Barclays to remove the adverse information. She also says that Barclays did not deal properly with her when she raised the matter.

Barclays accepted it had not dealt well with Miss J when she approached it about the debts, for which it offered to pay her £100, but it was unwilling to make any changes to the default information it had registered. Miss J brought her complaint to this service where it was investigated by an adjudicator. The adjudicator concluded, from the evidence, that there were exceptional circumstances in this case and recommended that Barclays should:

- entirely remove both accounts from Miss J's credit file;
- close both accounts and write off any remaining balances; and
- pay the £100 already offered.

Barclays was unwilling to go along with the adjudicator's recommendation and said, in summary:

- Barclays was unaware, at the time, of Miss J's health or circumstances.
- In order to remove the default information, it would need to see evidence of an error on its part.
- It would be irresponsible for Barclays to remove this factual information.
- The offer of £100 does, however, still stand.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Miss J has provided detailed and persuasive evidence of her situation and mental health problems during the period in question, and of her ongoing health issues. It is not necessary for me to set these matters out in detail in my final decision. I am satisfied that these factors affected her judgement and also her ability to deal with the ordinary administrative matters that need to be taken care of when changing addresses.

I entirely accept that Barclays could not have known things that Miss J had not told it. However, once Miss J approached it and explained the events behind what happened, it had a duty to deal fairly with her. It accepts it did not deal well with Miss J, though it does not consider this should affect the continued default registration.

The outstanding balances in question are very small, and Miss J had already repaid most of the money. She had also offered to pay the remaining balances under protest, to get the default information removed. Barclays was unwilling to consider that.

I am satisfied, from the evidence, that Miss J did not intend to default on debts and was not attempting to avoid or evade her financial responsibilities. Given that, and in the light of the exceptional circumstances here, I consider that it would not be irresponsible or wrong for Barclays to alter the default information.

I must decide what is fair and reasonable in all the circumstances, and having done so I find that the overall resolution suggested by the adjudicator represents a broadly fair settlement of this complaint. I have slightly clarified the redress.

my final decision

My final decision is that I uphold this complaint and direct Barclays Bank Plc to:

- remove all reference to the current account debts from Miss J's credit file;
- close both accounts and write off any remaining balances; and
- pay Miss J the £100 already offered.

Jane Hingston
ombudsman