

## **complaint**

Mr C complains that Barclays Bank Plc has sold his debt when he thought he had paid it off.

## **background**

Mr C said that he had made an arrangement through a debt management charity to pay off his debt with Barclaycard some years ago. And he said that he stuck to that, and paid off the debt in full in September 2014. But he said that he'd recently received a letter from a debt collection agency, saying that Barclaycard had sold it his debt two years ago, and he would have to pay it back. Mr C didn't think he still owed anything. He wanted us to sort this out.

Barclaycard said that it did have records of Mr C making payments towards this debt until September 2014. But then he stopped, and the debt wasn't paid off. There was around £1,000 outstanding. So Barclaycard sold the debt to a third party. Barclaycard didn't think it had done anything wrong.

Our investigator didn't uphold this complaint. He said that Mr C hadn't paid off the whole debt. And our investigator couldn't see anything to suggest that Barclaycard had agreed not to enforce the remaining debt. So our investigator thought that Barclaycard didn't do anything wrong when it sold the outstanding debt to a third party. But if Mr C could show evidence from the debt management charity that Barclaycard had agreed that Mr C had paid enough towards the debt, then Barclaycard would reconsider.

Mr C said that couldn't be right, because the debt management charity that was looking after the repayments for him told him it was all paid off. Because Mr C didn't agree with our investigator, the case was passed to me for a final decision.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've reached the same overall conclusion as our investigator.

Mr C sent us a schedule of payments from the debt management charity that was making payments for him. That is titled "successful completion". It shows the amount of Mr C's debt, and payments that add up to that amount. So I can see why Mr C thought that this debt was paid off. But I don't think it was. Barclaycard wrote to Mr C in 2009, and then again in 2011, to say it was applying a much lower rate of interest to his debt while he was paying it off. The payments that the debt management charity shows don't make any allowance for the interest that Mr C was being charged by Barclaycard. So the money that he paid wasn't enough to cover the whole debt.

This complaint is about Barclaycard. And I don't think that Barclaycard did anything wrong in this case. It explained to Mr C that it was charging interest. The debt management charity which was looking after the repayments on this debt stopped making payments before Mr C had paid off the whole debt. So I don't think that Barclaycard made a mistake when it sold this debt to a third party.

We asked the debt management charity what had happened, and it said that it doesn't always know if interest is being charged on a loan. It relies on clients and their creditors to update it with accurate balances throughout the term of a repayment plan. It said that Mr C

didn't give it any updated balances while the money was being paid off, so it worked on the basis of the original information it had about what Mr C owed. The charity didn't think it had made any mistake. This complaint isn't about what the debt management charity did, but I'm including this because I thought that Mr C would want to know what had happened.

I know Mr C will be disappointed, but because I've decided that Barclaycard didn't make any mistake in this case, I won't uphold this complaint.

**my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 December 2017.

Esther Absalom-Gough  
**ombudsman**