

complaint

Mr and Mrs E complain that Barclays Bank Plc has misled them concerning options for settlement of their debt and has provided a very poor service. They want the bank to honour the settlement offer it made.

background

Mr and Mrs E had a business which involved the rental and operation of a bar and kitchen at a sports facility. They borrowed money from Barclays to support the business. In 2012 their licence to run this business was not renewed. Shortly after this Mr E had an accident which meant that he was unable to work. As a result they were unable to meet the repayments on their debt to the bank. They contacted the bank to try to come to an agreement on how the debts should be treated during this difficult period.

Mr and Mrs E say that they did not receive any response to their requests for a meeting with their bank manager. They say they were contacted by a new manager who said there was the strong possibility that the loan would be written off. They did not hear from him again. But they received a call from the bank's collections team who appeared to have no knowledge of the history of the account or previous discussions. In their circumstances they found this extremely frustrating and stressful. As they were unable to provide an acceptable repayment proposal the bank issued a notice of default and has demanded repayment of the debt.

The bank says that at no point did it discuss the possibility of writing off the debt. It has provided a statement from the bank representative at the meeting to confirm this. It says that it has followed its established collections and recoveries procedures in seeking repayment of the debts. The bank has accepted that its staff did not respond satisfactorily to Mr and Mrs E's requests and could have discussed more fully the options available. Following the complaint to this service, it has offered to pay Mr and Mrs E £150 in compensation for its service failures.

The adjudicator did not recommend that the complaint should be upheld. He concluded, in summary, that the bank had not offered to write off the debts. He was satisfied that the bank was entitled to demand repayment and had not made an error. He considered that the £150 offered for the poor communication was fair and reasonable. Mr and Mrs E did not consider that the bank had taken enough account of their health problems at the time this was being discussed.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities - in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

I recognise that the possibility of debt being written off was likely to have been discussed at the meeting in question. But on balance I am satisfied that the bank did not make any offer or commitment to write off any or all of their debt. I conclude that the bank has not made an error in this regard and I cannot require it to write off any of the debt.

I recognise that Mr and Mrs E have experienced some very difficult times on a personal and a business level. I also recognise that they have tried hard at all times to communicate with the bank and find ways to repay the debt – including trying to sell their home. But I do not find that the bank has acted unreasonably or unfairly in the actions it has taken to seek repayment of the debts outstanding. It has followed its normal commercial practice and I cannot require it to suspend interest or other charges to the account.

The bank has accepted that its initial response to Mr and Mrs E's efforts to discuss their problems was unsatisfactory. I find that this will have added to the stress already caused by their difficult situation. But I consider that the £150 that the bank has now offered in compensation is fair and reasonable.

my final decision

My final decision is that I order Barclays Bank Plc to pay Mr and Mrs E £150 in full and final settlement of this complaint.

John Thornton
ombudsman