

complaint

Ms M complains about the interest rate Barclays Bank PLC (trading as Barclaycard) has applied to her credit card accounts. She's also unhappy about the service she received from Barclays when she asked about her original interest rate.

background

Ms M has two credit cards with Barclays. She says she was told that she'd be charged a little more than 1% interest for the life of the cards. Barclays is now charging substantially more than that. She says she's never received any notification of any change to the interest rates. She relied on the interest rates remaining low for the life of the cards when she planned her spending. The increase in rates has prevented her from clearing the balances within a reasonable timeframe. She'd like Barclays to return the accounts to the original interest rates and refund any interest she's paid over and above the original rates.

Barclays accepted that it hadn't provided Ms M with a satisfactory service when she enquired about her interest rates. It credited one of her accounts with £50 to reflect this and £10 to cover her phone costs. But it says that all interest rates applied to Ms M's accounts have been correct.

Our adjudicator didn't recommend that the complaint should be upheld. He said, in summary, that he wasn't satisfied that Ms M had been offered the rates she refers to. He thought it likely that if she was quoted those rates, they were monthly rates. This would have been in line with rates generally available at the time. Barclays had charged promotional rates during certain periods. It was entitled to stop the promotional rate early under the terms and conditions where Ms M had exceeded the credit limit. The adjudicator was satisfied that Barclays had tried to help Ms M when she told it she was in financial difficulty.

Ms M is unhappy with the adjudicator's view. She says that if a lender offers an interest rate for the life of the card, people choose it because the interest is stable and low "until the balance is cleared in full". She says lenders can't increase the rate on a credit card in the first 12 months. And they must tell customers about any change in interest rate before it takes effect.

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 conclusion as the adjudicator, for similar reasons.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here) I reach my decision on the balance of probabilities – that is what I consider is most likely to have happened, given the evidence that is available and the wider circumstances.

I'm not convinced, on balance, that Ms M was offered the rates she refers to, although I don't doubt that she believes that she was. Like the adjudicator, I consider if such rates were mentioned, it's likely that they were monthly rates, not annual rates.

Various promotional rates have been applied to the accounts over the years. I'm satisfied that the only occasions on which those promotional rates ended early were when Ms M didn't make payments to the account when they were due, or when she exceeded her credit

limit. The terms and conditions of the account provided that Barclays was entitled to remove the promotional interest rates in those circumstances. And written notification of the change in rate and the reasons for it was provided on Ms M's statements.

Some of the promotional rates Barclays offered Ms M followed a balance transfer, and were applicable until the balance was paid off in full. It may be helpful if I explain that in those cases, the promotional rate only applied to the balance transferred, and not to other spending on the card. And Barclays was entitled to end it early in the circumstances I've referred to above.

Ms M experienced a period of financial difficulties. She told Barclays about this. It referred her to its Financial Difficulties Helpline. And it suspended interest for a month twice on each card and agreed a reduced payment plan. I consider it fulfilled its duty to act positively and sympathetically when Ms M told it about her financial difficulties.

Barclays has accepted that it should have dealt better with Ms M's request for information about the interest rates on her accounts. But I consider the amount it's already credited to her account to be reasonable to reflect this. I'm sorry to disappoint Ms M, but it follows from what I've said that I don't find that I can fairly require Barclays to do more.

my final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 9 November 2015.

Juliet Collins
ombudsman