

complaint

Mr D complains that Barclays Bank Plc placed 'arrangement to pay' markers on his credit reference file rather than a default marker.

background

In 2008 Mr D encountered financial difficulties and took advice from a debt management organisation. He entered into arrangements to pay with a number of creditors, including Barclays. In August 2009 Barclays wrote confirming its agreement to a debt management plan with Mr D. In this letter it confirmed that its policy was to let credit reference agencies know of the agreed plan.

Mr D paid off his debt with Barclays in late 2012. Having got his finances in order Mr D reviewed his credit file and realised that if he had defaulted his debt in 2008 any default entry on the file would have expired by 2014. However, the arrangement to pay marker would remain until 2018. He asked Barclays to alter the file to treat his account as defaulted in 2008. Barclays declined as it considered the entries were an accurate reflection of his situation. Other banks had acceded to a similar request by Mr D and he complained to Barclays. After it rejected his complaint he brought the matter to this service.

The adjudicator did not recommend that this complaint be upheld. He concluded that Barclays had not made an error and had accurately recorded Mr D credit status. Mr D did not agree and said that he had not been properly informed of the consequences of entering into the debt management plan. He also argued that Barclays had not followed the Information Commissioner's Office (ICO) guidelines and had left him in a worse position than if he had defaulted his debt. He also believed that Barclays had not conduct regular reviews of the arrangement

my findings

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

I have sympathy with Mr D who having found himself in financial difficulties sought help and after entering into a number of debt management plans has now cleared his outstanding debts. I acknowledge that he has behaved responsibly and he now feels he has been disadvantaged. However, I find myself in agreement with the adjudicator that Barclays has not been at fault in the information it has provided to the credit reference agencies.

Mr D took advice from a debt management organisation and as a result entered into an arrangement to pay with Barclays and other banks. Barclays agreed to the plan and notified Mr D via the debt management organisation that it would be recorded on his credit file. I cannot accept Mr D's assertion that the bank did not explain the impact on his credit file when he entered into the arrangement.

Mr D persuaded other lenders to change their recording of his situation on his credit files and has provided details of other Barclays' customers who have persuaded it to do the same. The adjudicator put this to Barclays to ask if it would consider altering Mr D file as a gesture of goodwill, but it declined to do so. I cannot require Barclays to make a goodwill gesture. I also note that the circumstances of the agreements made with at least one other bank were not the same as that with Barclays.

Mr D also says that Barclays went against ICO guidelines. I do not agree. The guidelines define a default as a situation where the relationship between the lender and the individual has broken down. That was not the situation between Barclays and Mr D who did not default his account. He entered into a debt management plan and the ICO guidelines say that the recording of this shows that he has taken a more responsible approach to his debts.

Finally Mr D has said that he has not been kept updated with the bank's regular reviews, but the frequency of the reviews is determined by the bank and I do not consider this is cause to require Barclays to amend Mr D's credit file.

my final decision

My final decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr D to accept or reject my decision before 23 February 2015.

Ivor Graham
ombudsman