



complaint

Mr A complains that Barclays Bank Plc, (trading as Barclaycard), accepted a sum in full and final settlement of the amount he owed on his credit card, but then later asked him to repay the outstanding balance. Mr A is also unhappy that the debt has been passed to different debt collectors who have sent him threatening letters.

background

Mr A experienced financial difficulties, and had difficulty in paying off the money he owed on a credit card. Mr A entered into a repayment plan. In June 2011, the outstanding balance on his card was approximately £4,600. Mr A sent a letter to Barclaycard in June 2011. He enclosed a cheque for £750, and told it that this was his full and final settlement offer for the whole debt. Barclaycard cashed the cheque but continued to chase him for repayment of the remaining balance outstanding on his card. Mr A did not repay this. Barclaycard passed the debt to debt collection agents to try to recover this sum.

The adjudicator did not recommend that the complaint should be upheld. He considered that Mr A's statement that the £750 cheque was in full and final settlement of the balance due was a proposal rather than a formal offer which had been accepted by Barclaycard. The adjudicator noted that Barclaycard's internal system notes showed that it had agreed a reduced settlement figure of approximately £3,270 before Mr A had sent the cheque in. The adjudicator did not consider that Barclaycard was obliged to accept Mr A's repayment proposal. He concluded that it was entitled to cash Mr A's cheque as his balance had been outstanding for some time.

The adjudicator did not consider that Mr A had been harassed by the debt collection agencies.

Mr A is not happy to accept the adjudicator's recommendations. He says that in another case, a county court judge found that a cheque which was cashed in full and final settlement of a debt, satisfied the whole sum due. Mr A says that a court would find in his favour. He adds that they have been chased by six different debt collection agencies whilst the complaint has been considered by us, and that their actions amount to harassment.

my findings

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

We offer an informal dispute resolution service and we resolve complaints by looking at what we consider to be fair and reasonable in the circumstances of the complaint. We are not a court of law and are unable to decide whether an agreement is enforceable or not – only a court can do that.

We take into account decisions made by courts, but we are not bound by them. This means that although Mr A says that a county court judge found that money paid in full and final settlement of a debt meant that the person owed the money could not recover the balance, I am not bound by that finding in reaching my decision. Further, I do not have the full details of that case, and so I am unable to comment on its relevance in relation to Mr A's complaint.

Mr A's debt had been outstanding for some time when he sent a cheque to Barclaycard for £750. Mr A said in his letter to Barclaycard "*I am proposing to make a full and final settlement offer of £750.00 today for the whole debt*". This amount was considerably less than the balance due. I agree with the adjudicator that although Mr A proposed that the payment of £750 was in full and final settlement of the balance, Barclaycard acted reasonably in accepting this sum, and continuing to chase Mr A for the balance. I do not find that the cashing of this cheque amounted to a formal acceptance of an offer made by Mr A. I do not consider that any agreement had been reached between Mr A and Barclaycard that £750 would settle the outstanding balance.

Mr A is unhappy that Barclaycard has passed his debt to six different collection agencies. Given that the debt has been outstanding for a long period, I find that Barclaycard did not act unreasonably in using different companies to try and recover the sum legitimately due to it.

Mr A adds that the debt recovery agents have harassed him. I have read through the collection letters which have been sent to him. I do not agree that they are threatening. I find instead that they point out that a balance is outstanding, and what will happen if he does not repay it.

my final decision

My decision is that I do not uphold this complaint.

Rosemary Lloyd
ombudsman