

## **complaint**

Mr T complains that Barclays Bank PLC added charges to his credit card account while he was experiencing financial difficulties. He wants a refund of all interest and charges plus interest on these at the statutory rate.

## **background**

Mr T said he asked the bank to repay all charges on his account. He said these had left him in financial hardship which he had made known to the bank. He said the charges related to a time when he was very unwell and he wasn't able to manage his affairs. He felt the bank's charges had made his position worse. Although he had now entered into a debt management plan he wouldn't clear the debt until 2032.

The bank said that Mr T originally requested a refund of all charges going back to 2002. The bank conducted a review going back to 2006 and said the charges were made correctly and in accordance with its terms and conditions.

It also said Mr T didn't advise them of his declining health until January 2012. While Mr T had contacted the bank in 2010 its notes said he wasn't experiencing financial difficulty. It said at that time the bank had tried many times to contact Mr T about his account. Once the bank was aware of his financial difficulties it felt it'd treated him fairly and sympathetically. This was shown by the fact it had reduced and suspended interest even though it wasn't obliged to.

The adjudicator said he was satisfied the bank had applied interest and charges correctly and acted positively and sympathetically. In particular he said that Mr T first mentioned his ill health in 2010 but there was no suggestion of financial difficulty at that time.

He said that when Mr T advised the bank of his financial difficulties in early 2012 the account is put on hold for 30 days. A repayment plan is entered into in March 2012 which also had the effect of stopping interest and charges on the account. He felt the bank had demonstrated that it had been positive and sympathetic to Mr T and the late fees applied to the account had been applied correctly and in line with the bank's terms and conditions.

Mr T didn't agree. He said he called in 2010 but the bank didn't offer any help or support. Had it done so his current debt would be lower. He felt the bank might not have understood what he was saying. He had called because the bank sent a default notice and he was having problems with his university studies. He felt he'd tried to be proactive but didn't get any help from the bank.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. While I am sorry to disappoint Mr T I have reached the same conclusion as the adjudicator for much the same reasons.

Where a customer is suffering financial difficulties banks' are required to treat their customers in a positive and sympathetic way but are not required to suspend interest and charges.

I have looked at the bank's records for Mr T's account. I can see that in 2010 he was beginning to have difficulty with the account and the bank tried to contact him on a number

of occasions. When he spoke to the bank in June 2010 the bank's notes make no mention of ill health. The notes say that Mr T thought there was a direct debit in place but that he wasn't in financial difficulty. So at that time I think the bank had no reason to suspect that Mr T was having problems.

In December 2010 he again calls the bank. The notes say that Mr T hadn't been very well but he thought there had been a direct debit in place. The bank says that this was cancelled in August 2010. At this time I don't think the notes suggest Mr T was suffering significant and long term ill health that would have affected his ability to pay. There is no mention of financial hardship. The bank's notes imply the problem was a lapsed direct debit.

The bank hasn't been able to produce recordings of these calls. Given the time since they occurred I think it's reasonable that the bank isn't able to do this.

In January 2012 the bank's notes of the call with Mr T say that he had been very ill and was having financial problems. I can see that the bank immediately gives Mr T some breathing space and a debt plan is entered into in March 2012. This includes stopping interest and charges on the account.

Based on what I've seen I think the bank wasn't aware that Mr T was having financial difficulties until early 2012. Although Mr T had mentioned ill health in 2010 the bank's notes don't suggest that these are significant and long lasting. The notes expressly state that Mr T said he wasn't having financial difficulties. So I don't think the bank should've been aware of this and acted any sooner than 2012.

I think the steps taken by the bank in 2012 show that it has been positive and sympathetic in relation to Mr T's financial difficulties. I say that because it immediately created breathing space to allow discussions and then stopped interest and charges. It has also accepted various levels of payment on the debt management plan. The regular payment has reduced with time but the bank has accepted and allowed this even though this is less than the minimum monthly payment that would've been required for his credit card. I also think the charges applied have been in accordance with the bank's terms and conditions.

### **my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 23 June 2016.

Colette Bewley  
**ombudsman**