

complaint

Miss G complains that Barclays Bank UK PLC is now pursuing her for a debt which it previously agreed to write off.

background

Miss G had an account with an overdraft with Barclays. After falling into financial difficulties the account was closed in 2018 with an outstanding balance of around £5,000. Miss G says she was told there was no debt to be repaid on the closed account. In January 2019 Miss G said Barclays contacted her asking for the debt to be repaid so she made a complaint.

On 9 January 2019 Barclays sent a final response saying it didn't agree to write off her debt in full. It said it sent Miss G letters making her aware of the outstanding debt. And Miss G needed to contact its recoveries department to arrange a repayment plan or the account would be closed.

Unhappy with this response Miss G asked this service to look into her complaint. She said Barclays told her over the phone the debt would be written off and there was no need for her to repay it. Our investigator reviewed the complaint but decided not to uphold it. She said there was no evidence of any telephone conversations where it agreed the debt would be written off. And Barclays had contacted Miss G about the outstanding debt asking her to contact it.

Miss G didn't agree with the investigator. She said she didn't receive the letters and was told verbally there was no debt left. So this complaint has now been passed to me for a final decision.

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 our investigator. And for largely the same reasons. I know Miss G has found this very stressful and this will come as a disappointment to her, so I'll explain why.

Where the evidence is incomplete, inconclusive, or contradictory, I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

In cases which involve financial difficulties this service would expect the bank to treat Miss G fairly. This can involve helping Miss G with her debt and setting up affordable repayment plans. Having reviewed the evidence, I don't think Barclays has treated Miss G unfairly. To be clear, Barclays doesn't have to agree to write off this debt. Miss G has had benefit of the funds so it wasn't unfair for Barclays to keep the account open and review it every three months. I also don't think it's unreasonable for Barclays to wait and see if Miss G's circumstances changed and an affordable repayment plan could be put in place. So Barclays reviewing the account to see if she was ever in a position to pay the outstanding debt off isn't inherently unfair.

Miss G says Barclays agreed to write this debt off over the phone. But she hasn't provided any information on when she spoke to Barclays about the debt or when it was agreed to be

written off. Barclays hasn't been able to provide call recordings it had with Miss G about the debt. But I agree with the investigator that if a conversation had taken place about writing off the debt I would expect – on balance - there would be a call note along with follow up correspondence mentioning this agreement. And there is nothing in the call notes provided by Barclays which show a write off was discussed or agreed. Only that Miss G couldn't make any payments towards the outstanding debt.

The recoveries notes show Barclays corresponding with Miss G by letter. And I'm satisfied Barclays sent letters to Miss G in January 2018 and April 2018 which mention Miss G's offer to make a payment towards the debt. The letter in April 2018 then says the account had been closed with the debt still needing to be repaid. The letters were correctly addressed to Miss G and refer her to debt advice charities and other free advice organisations for help, which is what we would expect Barclays to do in these circumstances.

So, I'm satisfied – on balance – Barclays didn't agree to write off Miss G's outstanding debt. And that it has treated her fairly by asking her to repay it.

Miss G mentioned in her complaint about having to take an overdraft on a premier account with Barclays instead of a regular account. The investigator has confirmed with Miss G this part of her complaint is not something we can deal with as Miss G didn't bring it to us within the six month timeframe Barclays gave her in its final response – dated 31 January 2017. So I won't comment on that part of the complaint here. If she wants this to be considered further she will have to raise this aspect as a separate complaint.

my final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 26 December 2019.

Mark Dobson
ombudsman