

## **complaint**

Mr A complains that Barclays Bank PLC did not explain to him how long a default would stay on his credit record when it offered him a debt consolidation loan.

## **background**

In 2007 Mr A took a debt consolidation loan to combine two existing loans with Barclays. This reduced his monthly payments by just over £150. In 2009 he was unable to continue the repayments and contacted a debt management company. He offered a reduced payment amount. Barclays later sent him a notice of default and then registered a default in June 2009.

The adjudicator did not recommend that the complaint should be upheld. He said that:

- The consolidation loan assisted Mr A by reducing his monthly repayments and he was able to maintain these payments for some time.
- A default could be seen as a last resort and he would have expected Barclays to focus on assisting Mr A with his financial difficulties.
- There was insufficient information to determine what was discussed when the loan was taken out but Mr A signed to confirm his agreement to the terms and conditions.
- Barclays made no error in registering the default when it considered that its relationship with Mr A had broken down.

Mr A did not agree and said, in summary, that he is dis-satisfied with the behaviour of banks generally. He said Barclays had told him to avoid a default at all costs. He believed that this was for its benefit and said that it did not explain to him that a default would be removed from his credit file after six years.

## **my findings**

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

Mr A had the benefit of the loans and it was not unreasonable for Barclays' priority to be to discuss options for him to repay the borrowing. I would have expected Barclays to treat Mr A's financial difficulties positively and sympathetically. In my view it has shown that by consolidating his debts it provided Mr A with positive assistance. I do not consider it would have been appropriate for Barclays to have discussed any further an option of Mr A doing nothing and letting a default be registered and then a legal processes for recovery take over. It was open to him to take independent debt advice as he did later in 2009.

I know that Mr A is unhappy that the default will remain on his record until June 2015 and he believes that, had he not taken the loan, he would be clear of the default now. It is not possible to predict with any certainty what would have happened if he had not taken the loan and what the consequences would have been for him. But, I know he will be disappointed when I say that I do not consider that Barclays acted unreasonably.

## **my final decision**

In light of the above, my decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr A to accept or reject my decision before 6 January 2015.

Michael Crewe  
**ombudsman**