

complaint

Barclays Bank UK PLC added a default marker to Mr B's current account in error. Mr B says that this affected his creditworthiness and that it affected his ability to apply, and be approved, for credit over nearly three years because of the bank's mistake. He has asked for £500-£1,000 in compensation.

background

Barclays applied a default marker to Mr B's current account in December 2015 because an incorrect code had been used. This was an administrative error on the part of the bank and Barclays has accepted responsibility so there is no dispute here.

Mr B says he only became aware of the default marker in July 2018. He is unhappy as the default had been on his credit file for some time and he says that it affected his ability to apply, and be approved, for credit. He asked Barclays to remove the default from his file and to compensate him. Barclays investigated the issue and, by the end of August 2018, had removed the default marker and told Mr B that it would disappear from his credit file within four to six weeks. The bank apologised to Mr B and offered him £100 in compensation. Mr B felt this was insufficient and declined.

Mr B has told us that he applied for finance over the period that the incorrect default marker was on his file and had been declined, or had had to pay higher rates of interest, because of it. Barclays reviewed Mr B's credit file and has said that as their error was one of several defaults recorded on the file between 2012 and 2017, it wouldn't be a significant factor in decisions taken by other organisations on any credit applications Mr B made. Mr B accepts that he had a number of other defaults on his credit file.

After our involvement, Barclays subsequently raised its offer of compensation to £500, which our investigator thought was fair in all the circumstances. Mr B asked for between £500 and £1,000 in compensation so didn't agree with the investigator's recommendation. Because of this, the case has come to me for a decision.

While this complaint is about the incorrect default marker placed on his account in December 2015, I'm aware that Mr B has another complaint against Barclays relating to the arrears and arrangement to pay markers applied over 2012 to 2013. This is being dealt with separately, so I won't be commenting on it here.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr B's credit report showed a number of defaults from various companies between 2012 and 2017. Mr B accepts that he had been in arrears and had defaulted on other accounts with other organisations. So, while Barclays' incorrect default marker may have been considered by other potential lenders, I believe this would have been only one piece of information being taken into account – the other defaults and arrears markers also being relevant factors.

To accept Mr B's argument that Barclays' error had a greater material impact, I'd need to see further evidence from lenders or potential lenders that they would not have declined his application or increased his rates of interest but for the default marker applied by Barclays.

Without evidence of this, I don't consider the consequences of the error to have been particularly significant as I don't think it made a substantial difference to Mr B's situation. Mr B was asked to send evidence to provide details of any loans which he thought might have been declined, or been subject to a higher interest rate, because of Barclays' error. Unfortunately, he wasn't able to provide information of this sort.

my final decision

Under all the circumstances, I think the offer of Barclays Bank UK PLC to pay Mr B £500 compensation to cover any inconvenience is fair. As a result, I will not be asking them to pay any more than they have already offered.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 16 February 2020.

Simon Stanley
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