

complaint

Mr E has complained that Barclays Bank Plc wrongly placed a default on his credit file in relation to a credit card account that was sold on to debt collectors.

background

Mr E says the debt collector has written off the balance on the debt and removed the default. Mr E says Barclays should also remove any adverse information in relation to this debt as he disputed he was ever responsible for it. He also says the adverse information on his credit file is affecting his ability to access credit.

Our investigator thought that banks had an obligation to report account activity accurately. She thought she couldn't ask Barclays to amend or remove any information it had reported unless it had made a mistake. The investigator could see that the debt collectors had removed its default and written off the debt. But she thought it had done this as an act of discretion because it accepted it had taken too long to answer Mr E's queries about the debt. And she didn't think this meant Barclays also had to remove its default notification.

In the investigator's opinion, Barclays had shown that Mr E was responsible for the debt and it had correctly notified him about his late payments and the default. She didn't recommend that Barclays amend the information on Mr E's credit file.

In response, Mr E disagreed and said he'd settled any debts to Barclays and wasn't responsible for the debt passed to the debt collectors. He said Barclays and the debt collections company had made multiple mistakes dealing with his account. He said it was unfair that he was losing out because of their poor administration.

my findings

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

I've looked carefully through the records of Mr E's credit card account with Barclays. I think the evidence shows that Mr E built up debt on his account. I also think the records show that Barclays notified Mr E about the debt building up on his account, the late payments and the default registered in 2015. I don't have any evidence that Mr E repaid this debt to Barclays.

I can see the debt was sold to a collections company, later passed back to Barclays and then sent to a different collection company. At this point Mr E asked for information about the debt as he didn't think he owed any money. I think Mr E was entitled to ask for proof that he was responsible for the debt.

I think Barclays and the second debt collection company didn't give Mr E the information he had requested in a timely way. As a result of the delays the debt collection company said it had decided to write off the debt and amend what it had recorded on Mr E's credit file as a gesture of goodwill. Like our investigator I think the debt collection company wrote off the debt in recognition of its poor administration. And I don't think there is any evidence that this was an admission that Mr E wasn't responsible for the credit card debt.

I can see that the debt collection company also suggested that Barclays should remove the default it had registered. I can see this would be helpful to Mr E but I think Barclays has shown that the default was correctly registered. So I don't think Barclays has made a mistake by declining to amend Mr E's credit file.

Mr E says his access to credit has been adversely affected and he's lost out due Barclays' and the debt collector's poor administration. I agree he was put to considerable trouble and stress trying to get information about the debt. But I think Mr E's persistence paid off and he benefitted from the debt collector writing off his debt. I can also see Barclays paid him £115.00 compensation in recognition of its delays in sending the information to the debt collector.

I'm sorry to disappoint Mr E but I don't think Barclays needs to do any more to settle his complaint.

my final decision

My decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 10 November 2017.

Sarah Brooks
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