

complaint

Mr N complains that Barclays Bank Plc transferred his debt to a third party debt collection agency when it had previously agreed to write it off. He wants the bank to pay him compensation and to either write off the debt or agree a repayment plan with him.

our initial conclusions

The adjudicator did not think that the bank had acted incorrectly in requesting repayment of Mr N's overdraft or in transferring his debt to an agency for collection. He thought that the bank had made an error when staff members told Mr N that his account had a zero balance without explaining that the balance was now transferred to a debt collection agency. He thought its offer of £50 compensation was fair. Mr N was not satisfied with this view. He requested £125 compensation for his distress and inconvenience and for Barclays to take back the debt and agree a repayment plan.

my final decision

To decide what is fair and reasonable in this complaint, I have considered everything that Mr N and Barclays have provided.

I can understand Mr N's frustration. He is in financial difficulties. He thought that the debt with Barclays had been written off, but he was then pursued by its agent. However, there is no dispute that Mr N owes the debt to Barclays. His account was overdrawn. The bank decided to request repayment of this debt. I can see that it tried many times to contact Mr N by telephone about the debt, but was unsuccessful. It correctly wrote to him and then closed his account and passed the debt to an agent for recovery, as it had warned him it would. Mr N said that he was told that the debt had been written off as a gesture of goodwill due to his financial hardship, but the bank has no record of this. The bank has not disputed that staff members may have given him wrong advice, but this does not mean that the debt should be written off. I am therefore satisfied that the bank has acted correctly. I cannot properly require it to write off the debt or take it back from its agent. I consider that its offer of £50 compensation to be fair and reasonable.

My decision is that Barclays Bank Plc should pay Mr N £50 compensation as it has offered to do.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr N either to accept or reject my decision before 4 August 2014.

Phillip Berechree

ombudsman at the Financial Ombudsman Service

The ombudsman may complete this section where appropriate – adding comments or further explanations of particular relevance to the case.

ombudsman notes

what is a final decision?

- A final decision by an ombudsman is our last word on a complaint. We send the final decision at the same time to both sides – the consumer and the financial business.
- Our complaints process involves various stages. It gives both parties to the complaint the opportunity to tell us their side of the story, provide further information, and disagree with our earlier findings – before the ombudsman reviews the case and makes a final decision.
- A final decision is the end of our complaints process. This means the ombudsman will not be able to deal with any further correspondence about the merits of the complaint.

what happens next?

- A final decision only becomes legally binding on the financial business if the consumer accepts it. To do this, the consumer should sign and date the acceptance card we send with the final decision – and return it to us before the date set out in the decision.
- If the consumer accepts a final decision before the date set out in the decision we will tell the financial business – it will then have to comply promptly with any instructions set out by the ombudsman in the decision.
- If the consumer does not accept a final decision before the date set out in the decision, neither side will be legally bound by it.