

## **complaint**

Mr R complains that Barclays Bank PLC, trading as Barclaycard, is requiring him to repay a debt which it had previously told him had been written off. He wants the bank to accept that he is not liable for the debt, and substantial compensation for the trouble and inconvenience he has been caused.

## **background**

Mr R had a credit card account with Barclaycard. A fraud occurred on the Barclaycard account of another customer with the same name as Mr R. Barclaycard confused the two accounts and thought that it was the complainant's account that had been subject to fraud. It therefore told him that he did not have to repay the outstanding balance, and it removed all details of the card account from his credit file.

Some months later Barclaycard realised its error and told Mr R that he did have to repay the debt. Mr R accepts that he did create the debt but does not believe he should have to repay it given what Barclaycard had previously said.

Barclaycard has apologised and offered £250 compensation for Mr R's trouble and costs, which he has not accepted. It has removed all fees and interest on the account arising from its error, and offered to let Mr R repay the outstanding debt on an interest-free basis.

Mr R continues to believe he should not be required to repay the debt. He also questions whether, having been told that the account balance had been written off, there is still a contractual relationship between him and Barclaycard, and whether there has been a breach of data protection rules.

Our adjudicator did not recommend that the complaint should be upheld. She concluded, in summary, that Barclaycard had acted reasonably in putting Mr R back into a better position than he would have been in had it not made its error, because it was waiving all interest on the debt until repayment. She also concluded that the offered £250 compensation was reasonable in the circumstances.

Mr R did not accept the adjudicator's conclusions. He said that as a direct result of Barclaycard telling him that he did not have to repay the debt he had entered into substantial new financial obligations. He also still considered the offered level of compensation inadequate.

## **my findings**

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

We are an informal dispute resolution service and are not able to decide whether, following Barclaycard's error in telling Mr R that he did not have to repay the debt, the contractual relationship between them was terminated. That is a matter of law which a court would have to decide. Similarly, matters relating to data protection fall outside our remit.

Barclaycard actually made two errors. Firstly, it confused Mr R's account with another in the same name. Secondly, it told him that he did not have to repay the debt on his account.

As a result of that second error Mr R says he entered into substantial financial obligations elsewhere. Barclaycard gave Mr R a false expectation of not being liable for the debt, but I cannot hold it responsible for the decisions he subsequently made - because it could not reasonably have predicted what he would do as a result of its error.

Turning to the error in confusing the accounts in the first place, I expect to see Barclaycard return Mr R to the position he would have been in had that error not been made. I am satisfied that it has done this, and indeed has gone beyond that by waiving all interest until the debt is repaid. He has accepted that he created the debt, and I find that it is fair and reasonable for Barclaycard to require him to repay it.

I agree that Mr R suffered a significant level of trouble and inconvenience as a result of Barclaycard's errors. Having considered the circumstances carefully, it is my view that the offered £250 is fair and reasonable compensation for this. Much of Mr R's request for higher compensation is linked to the actions he took when he was told he did not have to repay the debt, and as I have already explained I cannot hold Barclaycard responsible for these when it could not have reasonably predicted what he would do when it made its error.

### **my final decision**

For these reasons my final decision is that I do not uphold this complaint against Barclays Bank PLC, trading as Barclaycard. I now leave it to Mr R to decide whether he now wishes to accept the £250 compensation already offered.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr R to accept or reject my decision before 14 August 2015.

Malcolm Rogers  
**ombudsman**