

## **complaint**

Mr T wants Barclays Bank Plc (trading as Barclaycard) to write off interest and charges which were applied to his credit card debts. He also complains that the bank has not responded properly to his complaints.

## **background**

Mr T had three credit card accounts which were overdrawn. Two were with Barclaycard, and the third was with a third party. In 2008 Mr T agreed a debt management plan with Barclaycard. Charges were suspended and interest was reduced on both accounts.

Mr T also agreed a debt management plan with the third party, in which charges were suspended and interest was reduced to zero. The third party transferred this account to Barclaycard in 2011 ("the third debt"). Barclaycard continued with this plan.

By mid-2014 Mr T had paid off most of his debts, and the balance which remained was due to the interest and the pre-2008 charges. But he says that as a result of his debts, his mental health had deteriorated and he became suicidal. He asked Barclaycard to write off the remaining debts on all three accounts. Barclaycard refused, but told him that the third debt had become unenforceable. Mr T finished paying off the debt anyway, and that account was closed in late 2014.

Mr T complained to us. He said that Barclaycard should write off the remaining debts and refund him the interest he has paid since 2008. He says that Barclaycard has not been fair or sympathetic.

Our adjudicator disagreed. She pointed out that Mr T did not tell Barclaycard about his mental illness. She thought Barclaycard had applied the charges and interest fairly, and had reduced the interest since 2008. Mr T has had a job since then, so he still had an income and could afford to finish paying his debts.

Mr T is not satisfied. He says that all of his other creditors have reduced interest to zero, and Barclaycard should do the same. He has also referred to the Lending Code and says that Barclaycard was obliged to reduce his interest to zero. Barclaycard does not accept this, but it has recently offered Mr T £100 compensation for only addressing part of his complaint. This is on top of £250 which it paid him last year for writing to him at an out of date address.

## **my findings**

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

Before the Lending Code came into force in November 2009, the Banking Code applied. Both codes say that a bank should respond sympathetically and positively when its customer tells it they are in financial difficulty.

I consider that Barclaycard did that here. It agreed to accept reduced payments from Mr T. And it reduced interest to only a nominal amount.

The Lending Code says: "Subscribers should consider reducing or stopping interest and charges when a customer evidences that they are in financial difficulties." It does not say

that a lender must stop interest. I consider that Barclaycard did enough by reducing the interest. I think that in doing so, it helped Mr T to bring his finances back under control. And it applied the charges correctly before it suspended them. It does not have to do whatever other creditors do – it is allowed to make its own decision.

I am sorry to hear about Mr T's mental illness. I would expect the bank to take that into account. But it's not clear to me that Mr T told Barclaycard about his illness. So I can't see that it should have responded to him differently.

I agree with Mr T that Barclaycard did not address everything he raised in his letters. The bank only responded to his complaint about charges but did not deal with interest. And it wrote to his old address after he told it about his new one. This dragged matters out for longer than they should have taken. But I think that its recent offer of £100, in addition to the £250 it has already paid, is fair, and I encourage Mr T to accept it.

**my final decision**

My decision is that Barclays Bank Plc should pay Mr T the £100 it has offered him.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr T to accept or reject my decision before 26 June 2015.

Richard Wood  
**ombudsman**