

complaint

Mr I complains on behalf of Mrs I that Barclays Bank Plc won't accept Mrs I has made overpayments on her loan since the start, so it owes her money – not the other way round. Mr I also complains that Mrs I is now receiving letters from a third party about repayment of the outstanding debt.

background

Barclays wrote to Mrs I on a number of occasions following some missed loan repayments. When the outstanding payments weren't made within the timescales set out, Barclays referred the matter to a third party to seek collection of the outstanding amount.

Mr I says this isn't right. He says Mrs I made overpayments on the loan from the start, so it owes her in excess of £1,000. He says when Barclays answered the complaint, it said in writing that Mrs I's contractual loan repayment was £50 less than she was paying – around £310 and not £360.

Mr I also says that he thinks Barclays shouldn't have sold the debt to someone else – Barclays should've kept and handled it.

Barclays says there's no evidence Mrs I overpaid on her loan or that it owes her money. It says the loan agreement shows the contractual loan repayments. And because a number of those payments were missed, it hasn't done anything wrong by seeking repayment of the outstanding amount.

But it said it could've responded to Mrs I's complaint sooner. So it offered £100 for the inconvenience caused.

In sending us its file after Mrs I complained to us, Barclays says the matter of the overpayment has already been dealt with by an ombudsman. The only issue to address is the handling of the collection of the outstanding amount.

Our adjudicator said the offer Barclays made was fair. She said she couldn't find any evidence Mrs I had made overpayments to the loan. And because Barclays had followed its collection process when payments weren't made, it hadn't done anything wrong.

Mr I, on behalf of Mrs I, disagrees, so the complaint has been passed to me.

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'm sorry to disappoint Mrs I. But I think the adjudicator's come to the right conclusion here.

Before I give my reasons, I'd like to deal with the point Barclays has made about the issue of the overpayment having already been addressed by an ombudsman.

Because I think the specific complaint point that ombudsman dealt with, although inherently linked to this one, was slightly different from the one Mrs I has now made – it was about the interest rate charged – for the sake of completeness and finality I'm going to go ahead and deal with it here.

I've not seen anything to indicate Mrs I made overpayments over and above her contractual loan agreement. Neither Barclays nor Mrs I have provided any evidence to show this. The loan statements show the contractual loan repayments being made from the start. And these are set out in the copy loan agreement Barclays has provided.

But Mr I says the loan agreement Barclays has provided isn't a signed copy – it's been manufactured. He also says Barclays said the loan repayments were lower when it responded to Mrs I's complaint.

I think Barclays made a mistake in its written response to Mrs I's complaint. As I said above, in the absence of anything else which shows the repayments Mrs I made were agreed overpayments, I think the loan agreement is a copy of the one Mrs I entered into. And this shows the contractual repayment at the higher amount.

In my experience this type of loan agreement isn't set up to receive regular monthly overpayments. It's structured so the amount borrowed plus the total interest charged is repaid in equal instalments over the loan term. And the copy agreement shows that the amount Mrs I borrowed would be repaid in five years if she paid the amount of around £360 each and every month.

So on the basis that Mrs I hasn't queried the amount she borrowed or the term chosen – and we've already decided the complaint about the interest rate charged – I'm satisfied her contractual loan repayment was as shown on the copy agreement. Her repayments weren't agreed overpayments.

So given Mrs I didn't make some of her loan repayments, Barclays hasn't done anything wrong by seeking repayment of the outstanding amount. I'd like to clarify here that Barclays hasn't sold the debt on. It simply employed a third party to act on its behalf, which it was allowed to do.

Because I don't think Barclays has done anything wrong – other than take too long to reply to Mrs I's complaint – its offer of £100 seems a fair way to settle this matter.

my final decision

To settle this complaint Barclays Bank Plc should pay Mrs I £100 as it has offered to do. There's nothing more it needs to do to put things right.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I, on behalf of Mrs I, to accept or reject my decision before 2 November 2015.

Paul Featherstone
ombudsman