

complaint

Mrs C complains that Barclays Bank PLC, trading as Barclaycard, will not accept her settlement proposal for the credit card debt that she owes to it. She is being helped with her complaint by her father-in-law.

background

Mrs C had a credit card debt to Barclaycard that she was unable to repay due to a change in circumstances. She offered to pay 25% of the amount owed in full and final settlement. Barclaycard did not accept the offer and said that it would accept 70% of the amount owed or Mrs C could continue to make reduced monthly repayments. Her debt was then sold to a debt recovery company. Mrs C's father-in-law complained to Barclaycard but he was not satisfied with its response so Mrs C complained to this service.

The adjudicator did not recommend that this complaint should be upheld. She concluded that: she was unable to compel Barclaycard to agree to a reduced settlement of the debt; it had taken reasonable steps to help Mrs C to manage her account through the difficulties that she was facing; and it had not acted unreasonably in continuing with its collections process.

Mrs C's father-in-law says, in summary, that Barclaycard should have frozen the debt when the complaint was made to this service and that another part of Barclays has accepted settlement proposals relating to Mrs C.

my findings

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

When Mrs C contacted Barclaycard to tell it about her change in circumstances, it accepted her offer of reduced monthly payments and suspended interest and charges. It said that the monthly payments were less than was needed for a formal repayment plan so said that the account would be closed and the debt passed to its recoveries team. I consider that by accepting reduced payments and suspending interest and charges, Barclaycard responded to Mrs C's financial difficulties positively and sympathetically, as it is required to do.

I have seen no evidence to show that the debt was not owed by Mrs C. She offered to pay 25% of the amount owed in full and final settlement of her debt. Barclaycard did not accept that offer but said that it would accept 70% of the amount owed or it said that Mrs C could increase her monthly payments to 0.5% of the amount owed. I am not persuaded that there was any requirement for Barclaycard to accept the 25% settlement offer made by Mrs C. It is for Barclays to decide the policies that will be applied by its different businesses. I am not persuaded that a decision by one of its businesses to accept a settlement proposal creates any requirement for another of its businesses to accept an equivalent settlement proposal.

Barclaycard has now sold Mrs C's debt to a debt recovery company. There is no requirement for a bank to suspend recovery action when a complaint has been made to this service. I consider that Barclaycard was entitled to continue with its debt recovery action in these circumstances. Mrs C's father-in-law has asked the debt recovery company to accept the reduced settlement offer that was made to Barclaycard.

I am not persuaded that there is enough evidence to show that Barclaycard has acted incorrectly in its dealings with Mrs C and I consider that it has responded to her financial difficulties positively and sympathetically. I therefore do not consider that it would be fair or reasonable for me to require Barclaycard to accept the reduced settlement proposal that she made.

my final decision

For these reasons, my decision is that I do not uphold Mrs C's complaint.

Jarrold Hastings
ombudsman