

complaint

Mr L complains that Barclays Bank UK Plc treated him unfairly in relation to some business loans. He asks that Barclays accepts his settlement offer.

background

Mr L had a current account and two business loans with Barclays. He says Barclays didn't contact him for more than six years until he received a default notice in late 2018. He says Barclays claims he owes about £7,000 but can't provide the original documents. He'd like Barclays to provide a statement showing how it calculated interest and the amount owed.

Mr L raised a complaint in 2012 which was brought to this service. Barclays put a hold on collection activity while the complaint was dealt with. It says it failed to remove the hold after a final decision on the complaint had been issued and, as a result, didn't try to contact Mr L again about the debt until 2016.

Barclays told Mr L it won't consider his offer to settle the loan until he provides information about his personal financial circumstances. Mr L says this is wrong. He also says Barclays passed the debt to a third party without telling him.

Our investigator didn't recommend that the complaint should be upheld, saying:

- Barclays said it would contact Mr L after his complaint was resolved in 2013. So it made an error when it didn't try to contact him until 2016. However, it paid compensation of £200 and reduced the amount owed so that it wouldn't benefit from the delay. This was reasonable.
- While the loans were business loans they were taken out by Mr L. So Barclays was entitled to ask him to pay the debt. It had told Mr L that the debt was passed to a third party several times, including in its final response letter.
- Barclays had explained it needed more information about Mr L's circumstances to help it to decide whether to accept his settlement offer. This was reasonable.
- Barclays said it hadn't recorded any defaults on Mr L's credit files. But if Mr L provides evidence of any adverse information recorded by it, it will look into it.

Mr L didn't agree. He says it's wrong that Barclays won't accept a part payment to settle the debt without financial information but will accept the full amount. He asks for the regulation that requires or allows this. He says Barclays should have asked for the information in writing. Mr L said the debt was taken out by a limited liability partnership and when this service looked at his complaint in 2013 we said the borrower was a business. Mr L says this means Barclays can't ask him for personal information as its decision isn't based on his personal worth.

Mr L said his main aim was for Barclays to consider his offer of settlement without him having to reveal personal information.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory, I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Barclays provided copies of the loan agreements, letters from 2006 offering loans to Mr L and statements from 2010 onwards. These all show the loans were in Mr L's name. I haven't seen evidence the loans were taken out by a different entity, as Mr L suggests. Based on the available evidence, I think Mr L took out the loans and is responsible for repaying them. I think it's reasonable for Barclays to contact Mr L about the debt owed. And I think it's entitled to appoint a third party to collect the debt on its behalf.

Barclays put collections activity on hold in 2012 while Mr L's complaint was dealt with. While Mr L says it agreed not to apply interest to his debt he hasn't provided evidence of this.

Barclays says it wrote to Mr L at his business address in 2016 but letters were returned as Mr L was no longer at that address. In 2018 it wrote to Mr L at his home address. I think this was reasonable.

I think Mr L was aware in 2013 that he owed these debts to Barclays. If he'd wanted to repay them sooner, he could have contacted Barclays. He could have provided Barclays with up to date contact details when he left his business address.

Barclays made an error when it didn't contact Mr L promptly after his complaint was resolved in mid-2013. It made refunds on the two loan accounts which reduced the amount owed to less than was owed in mid-2013. It wrote off the overdraft owed on the current account (over £20,000) and says it won't ask Mr L to pay this. Barclays apologised and paid compensation of £200. I think this was reasonable.

Barclays asked for income and expenditure information from Mr L to help it to decide whether to accept his settlement offer. It says this is its normal process and provided evidence to us to support this. Mr L objects to providing the information. But I don't think it's fair and reasonable to require Barclays to accept (or consider) his offer if he doesn't provide the requested information.

I think Barclays is entitled to ask Mr L to pay the debt. It's entitled to make a decision whether to accept a lower amount in full and final settlement and to ask for information from Mr L to help it make this decision.

my final decision

My decision is that I do not uphold this complaint as I think Barclays Bank UK Plc's response to Mr L's complaint was fair and reasonable in the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 22 June 2019.

Ruth Stevenson
ombudsman