

complaint

Mr F complained to Barclays Bank UK Plc about a debt that he says isn't his. He's unhappy with how it's impacted his credit file and how Barclays handled his complaint.

background

Last autumn Mr F got a credit card statement from Barclays saying he owed them money. Mr F didn't think he even had a credit card with Barclays, let alone that he owed any money on one, so he got in touch fearing he'd been a victim of fraud.

Barclays looked into what had happened. It didn't agree the account or the transactions were fraudulent – it thought the account was Mr F's. But it did agree it could've done a better job in dealing with the investigation and subsequent complaint, so it offered some compensation.

Remaining unhappy, Mr F asked for our help. One of our investigators looked into things but agreed with Barclays. She thought the account was Mr F's and that while the service could have been better, that the compensation offered was a fair sum.

Mr F accepted responsibility for the account but felt he was due more compensation because:

- Barclays had taken too long to look into things
- removing only some of the interest charges wasn't sufficient
- until last autumn he hadn't been sent statements which wasn't fair
- Barclays continued taking payments, when they said they wouldn't
- he was hassled him for payment while the investigation was underway
- the account didn't appear on a credit check
- late payments have been unfairly recorded and his credit file should be amended

my findings

As things weren't resolved informally, the case was passed to me to review. I have considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I'm sorry to disappoint Mr F but I've come to the same conclusions as the investigator, for broadly the same reasons.

Firstly, I'm sorry to hear about the stress and worry Mr F has experienced here. I appreciate that being pursued for a debt he says he genuinely didn't believe was his will have been very worrying. But the investigation has provided us with evidence to show it's unlikely a fraudster did borrow money in Mr F's name and that it's likely the account belongs to Mr F.

I say that because:

- when the account was opened in 2012, a balance was transferred from another credit card company – the balance came from an account in Mr F's name, and had both his date of birth and old address on file. It would be unlikely a fraudster would move someone's existing balance.

- the transactions on the account haven't been what I'd expect to see if the account had been fraudulently opened – fraudulent use usually leads to a quickly emptied account or a flurry of extravagant purchases rather than payments to a council or solicitor.
- there's been thousands of pounds of repayments – and these have come from Mr F's own bank account.
- in 2014, the email address on the account was updated to the same one Mr F uses to communicate with our service – it's unlikely a fraudster would have sent communication to Mr F himself, they would more likely want to intercept it.

Mr F has accepted that the account and associated debt is his, and that he will take steps to settle it. So what's left for me to consider is the level of service Barclays provided throughout the investigation and the other things affected by Mr F's debt, such as his credit file.

Mr F first raised concerns with Barclays last October and it took until February for Barclays to share the outcome of their fraud investigation with him – something they agree took longer than they'd like.

But Barclays' final response letter acknowledged shortcomings in setting up the complaint, giving deadlines that weren't met, confusion around the direct debit, calls and delays. And in order to recognise this, they paid Mr F £175 compensation. They also refunded four months' worth of interest fees and charges incurred throughout the investigation period totalling £292. And they said they'd suspend another three months' of interest – which based on the previous figures could have been around £180 worth.

Having reviewed the timeline and what happened, I think a sum amounting to around £650 is a sufficient recognition of any shortcomings. My thoughts on why are as follows:

wrong information

When Mr F first contacted Barclays about a suspected fraud, he was given some wrong information. He was told an investigation would be concluded within 14 days – but an investigation of this nature doesn't have a fixed timeframe as they can be complex.

During the call, Mr F also asked whether he should cancel his direct debit – but he was told that the fraud team would cancel it – again, wrong information. It was for him to take action on this as encouraging Mr F to cancel his direct debits during a fraud investigation could go on to be detrimental for him later down the line if the debt later turned out to be his after all. That's because of implications with arrears, fees and credit markers.

Nevertheless, I agree with Mr F that he was given wrong information at the outset.

When Mr F was contacted by a fraud investigator six weeks after the first call, the incorrect information he'd been given about both the investigation deadline and direct debit was put right. The member of staff confirmed that fraud investigations don't have a fixed timescale, and she explained Mr F could cancel the direct debit himself if he wanted to. So although Mr F was told something wrong at the start, I think the position was clarified further down the line. I think the compensation offered recognises the confusion caused.

As it eventually turned out that the debt was Mr F's, he needed to keep making the repayments. So not cancelling the direct debit so soon helped as he kept up with his October and November payments, incurring fewer arrears.

customer service

Mr F got in touch with Barclays on several occasions but wasn't able to make much progress – he says sent emails, called in and was promised call backs and escalation to managers but time ticked on. I've seen these emails and don't doubt the frustration caused – particularly during the first six weeks when Mr F had been expecting a resolution within a fortnight. But again, I think the compensation offered recognises this.

delays

The fraud investigation wasn't concluded until late February – around four months after Mr F first raised concerns. Barclays agree this is longer than they'd like, and I think their waving of interest, cancelled fees and removal of credit markers during the period is sufficient recognition of this. Mr F wasn't happy that Barclays chased the debt whilst the fraud investigation was ongoing, but as our investigator mentioned, they do have legal duties when chasing debts. So I don't think they were wrong to contact him.

credit file

Mr F thinks it's unfair that this situation has affected his credit file. Barclays have taken off late payment markers for December and January given that his account was under investigation, but they've begun applying them again since.

I think this is fair as Barclays issued its final response in February – with a payment due in late March. So since late February, Mr F has been aware that he has a debt with Barclays and it's his responsibility to settle this. I see that Mr F has made some payments since, but has also missed one and paid late. Barclays have a duty to report on this sort of thing so I won't be asking them to amend his file.

Mr F did ask why the card wasn't showing on a copy of his credit file from last spring – I can't say for sure why, as it should have been on there. But I've checked now and it is being reported. I've not seen anything to persuade me that Barclays has failed to report correctly, so if Mr F has evidence of a credit file agency not reporting correctly, he may wish to contact them.

statements

Mr F says it's not fair that the first he heard of the account was last autumn, despite it having been open for around five years. Barclays showed us a screenshot of their system showing that they have Mr F's statement preferences set up as email and that the email address they have is right, and the same as what we use to communicate with him.

I cannot say for sure why Mr F hasn't seen statements for four or five years. It may be something to do with his email settings or spam filters. But this is something I can only assume. What I can say though is that Barclays look like they've done what they needed to do, so I don't find them at fault for a lack of communication.

I would add that Mr F has been making monthly repayments to this account too, so even if he didn't have sight of the statements, he'd have seen this regular payment leaving his current account every month for the past five years.

So in conclusion, I agree with Mr F that Barclays' service fell short of what I'd like to see. But I think it's done enough to apologise and put things right. Mr F is responsible for the outstanding balance on the card – I understand he made Barclays an offer to settle some of what he owes, but it is for Barclays to decide whether it accepts that or not.

my final decision

For the reasons explained, I endorse Barclays Bank UK Plc's offer and ask that unless it has already done so, it:

- pays Mr F the £175 compensation it offered
- removes the interest costs and late payment fees between October 2017 and January 2018
- removes late payment markers for December 2017 and January 2018
- removes the interest costs incurred between February and April 2018

I make no further award in respect of the outstanding balance Mr F owes.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 10 January 2019.

Aimee Stanton
ombudsman