

complaint

The estate of the late Mrs P complains about how Barclays Bank Plc managed her debt to the bank. Mr P brings this complaint on behalf of the estate.

background

When Mrs P died, the estate discovered that she owed money, including to Barclays. The estate said that Mrs P was well past pension age, and only had a very modest income. It said that she had only ever paid the minimum payment on a credit card each month, and that meant that the debt was never likely to be cleared under the existing arrangements. And the estate said that the spending on her card appeared to be for basic provisions, and the collective monthly repayments on this and another card (which were effectively interest only) added up to nearly £400 out of a monthly pension of £500.

The estate thought that this was unaffordable lending, and Barclays should write off this debt.

Barclays said that it had worked out that the total debt owed to it by Mrs P when she died was £11,013.46. This included two credit cards. But Barclays said that the two cards that Mrs P had were both taken out a very long time ago, so it would no longer have the credit scoring details from the checks it had made at the time. And it said that Mrs P had never approached Barclays about this debt. It didn't think that the outstanding debt was evidence of irresponsible lending.

Our investigator didn't uphold this complaint. She said that she couldn't review the original lending, because it was so long ago. And she could see no evidence that Barclays had been aware of any financial difficulties, or that it should've been. So she didn't think that Barclays had done anything wrong. She said that it's usual procedure for a bank to require a debt to be repaid from the estate, and it was also in line with Barclays' terms and conditions.

Mr P, on behalf of the estate, said he didn't agree with that. He said that Barclays had defended itself by saying that Mrs P met the minimum payment each month. But it failed to recognise that there was no chance of ever paying those amounts back. He thought it was negligent of the bank to allow this borrowing to continue. And he said that we hadn't commented on the purchases made on the cards, which were for essential day to day groceries and bills, which he thought should've raised questions for Barclays. He said that even if no laws were broken, he thought that the treatment of Mrs P was dishonourable, unfair and unjust.

Our investigator said that she'd considered what Mr P said, but there were no signs of financial difficulties on the accounts, and she didn't think that Barclays should've been aware, either from how the accounts were run or from the spending, that Mrs P was in financial difficulties.

Mr P wanted his complaint to be considered by an ombudsman so it was passed to me for a final decision.

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've reached the same conclusion on this complaint as our investigator, and for broadly the same reasons.

It is clear that Mrs P had a considerable amount of debt with Barclays when she died. I would expect Barclays to have offered to support Mrs P, if she had ever asked it for help with her debts. But Barclays said that Mrs P never did that, and there's no other evidence to suggest that she did.

I've also considered whether the way that Mrs P's accounts were run meant that Barclays should've proactively contacted her to offer her help. I've looked at statements for the last six years for her two card accounts, and the current account that Mrs P had with Barclays. The statements for her current account also allow me to see a running balance on her savings account.

I can see that most of the time, Mrs P's current account was in debt. But she was careful to stay within the available overdraft limit. She only very rarely went over that. And she didn't miss payments onto her cards. I don't think that the statements I've seen show that Mrs P was in financial hardship, so that Barclays should've proactively offered her support.

I appreciate that it must have been extremely upsetting for Mr P to find, after his mother's death, that she had been managing this level of debt for some time. I've explained that I don't think that Barclays has ignored requests for help from Mrs P, and I also don't think that the way she ran her accounts meant that Barclays should've proactively offered her help. I know that Mr P feels strongly that to allow this lending to continue was morally wrong, but I've considered current rules and guidance that apply to the bank, and I can't say that Barclays has done something wrong. That means that I don't think that Barclays has to write off these debts now.

For those reasons, I don't think that the complaint that Mr P brought on behalf of the estate of Mrs P should be upheld.

my final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of the late Mrs P to accept or reject my decision before 29 September 2018.

Esther Absalom-Gough
ombudsman