

complaint

Mr P is unhappy with the amount of money Barclays Bank Plc has lent him and the way he's been treated since telling the bank he's having difficulty repaying what he owes.

background

Mr P has two credit card accounts with Barclays and we've previously considered a complaint from him that the bank acted irresponsibly by giving him a combined credit limit that exceeded his annual income. Another ombudsman decided that the complaint had been brought too late.

Mr P has now complained that:

- One of the credit cards was changed from MasterCard to Visa in April 2016. A new account was created which means Barclays reviewed its decision to lend to him then and that decision was irresponsible given his income.
- Barclays has been aware since April 2015 that he's in financial difficulty but has done little to help him. In particular, the bank won't allow him to move to a 0% interest arrangement which is available to other customers. And the bank should have, but didn't until recently, put a block on the account to prevent further spending.
- Barclays hasn't handled his queries or related complaint well.

Our investigator didn't think the bank needed to do anything more. But Mr P disagreed and asked for an ombudsman to review his complaint.

Mr P is represented by his partner but, for ease, I'll refer throughout this decision to the contact that's been made with the bank and us as being from Mr P himself.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr P has a number of concerns and has asked for answers to a range of questions while this complaint has been going on. I won't address each and every point that's been raised, but will focus on what I believe to be the crux of the complaint.

Can we look at Mr P's concerns about his credit limit?

As I've already said, another ombudsman decided in August 2015 that we couldn't look at Mr P's concerns about the credit limits on his two accounts because too much time had passed since the limits were last increased. But Mr P thinks we can now look at what's happened on at least one of his accounts because, in effect, a new lending decision was made in April 2016 when the card changed from MasterCard to Visa.

I accept, as Mr P says, there may be some small differences between MasterCard and Visa, including which retailers are signed up to each scheme and the protection each offers. But, ultimately, this change hasn't affected Mr P's relationship and overall credit agreement with

Barclays. The bank says it didn't make any new lending decisions when the card changed and I can see his credit limit didn't change at that time.

I can't say the changes made to one of Mr P's credit card in April 2016 gives him extra time, under our rules, to bring a complaint about the decisions Barclays made about the amount of money it was prepared to lend him. So this aspect of Mr P's complaint is still time-barred and we have no power to consider it.

Should Barclays have done more to help Mr P deal with his money troubles?

Banks have to treat anyone in financial difficulties positively and sympathetically. But that doesn't mean they *have* to suspend interest and/or charges. Before agreeing any concession they will normally need to see details of the customer's income and outgoings so they can properly assess what the individual can afford to repay. And if a repayment plan is agreed, with concessions on the interest rate or monthly repayment amount being made, then that will normally be reflected on the individual's credit file.

From what I can tell, Mr P's credit card accounts have always been well-maintained – he tends to make at least the required monthly repayments on time and he often overpays. I understand he may have only been able to do this with help from friends and family. But when accounts are managed in such a way there would usually be no reason for the lender – in this case Barclays – to suspect anything was wrong and proactively offer help.

So until Mr P actually told Barclays that he was struggling to meet the monthly repayments, I don't think it should have done anything differently. It seems Mr P first mentioned he was having money troubles in April 2015. At that point it looks like the bank sent him an income and expenditure form to complete so it could properly assess how much he could afford to repay each month. And the bank also suspended interest for 30-days to give Mr P a bit of breathing space and time to complete the form. But it doesn't look like Mr P ever returned the form and has somehow managed to keep on meeting his monthly repayments while pursuing his first, and this, complaint with us.

In the circumstances, I think it was understandable the bank didn't make any further efforts to agree a repayment plan. It couldn't do so without the information about Mr P's income and outgoings. And, while Mr P may have asked the bank to get in touch with a debt advice charity on his behalf, it's not usually the lender's responsibility to do so. If Mr P wanted a debt charity's help then he needed to instigate this. They could have looked at his entire financial situation and made a repayment offer to Barclays on Mr P's behalf.

Mr P got in touch with Barclays again in October 2016 to say he was still having money troubles. Barclays agreed to suspend interest for six months to again give Mr P some breathing space. The bank has confirmed this concession still stands after mistakenly writing to Mr P to say it would be removed from 10 January 2017. Barclays has also now closed both accounts to prevent any further spending, which is what Mr P seems to have wanted.

Overall I don't think Barclays should have done anything more to help Mr P. So I'm not going to tell it to refund any historic interest. And I wouldn't expect it to suspend interest indefinitely, after all, Mr P's circumstances might change over time. He might become better able to repay the debt in line with the underlying credit agreements which allows the bank to charge interest on the debt.

I urge Mr P to get in touch with Barclays to agree a suitable repayment plan. This is likely to involve him completing an income and expenditure form so that, as I've already mentioned, the bank can properly assess what he can afford to repay. It is also likely that any repayment plan involving reduced monthly repayments would be reported to the credit reference agencies and may affect his credit score.

There are also free debt advice charities that may be able to help and we've already told Mr P how he can get in touch with one such charity.

Why was a payment allowed to go through on 31 October 2016?

On 31 October 2016 Mr P used an old credit card to make a payment of £1 and the receipt showed an authorisation code. Mr P is unhappy because he thinks this means Barclays didn't follow his instructions to block his cards to prevent further spending.

I can see, to an extent, why Mr P is concerned. He acted responsibly by asking the bank to block his credit cards to make sure he couldn't spend any more money because he was already having difficulty repaying what he owed. Yet a payment was allowed to go through.

But, like our investigator, I don't think the bank actually authorised this payment because it was for such a low value. Had Mr P tried a much larger transaction then it probably would have been blocked. But, in any event, the bank refunded the money and both Mr P's accounts have now been closed to further spending. So I can't see that Mr P has suffered any real loss here. So I don't think it's fair to tell Barclays to do anything more.

Should the bank pay any more compensation given the way it handled Mr P's complaint?

Mr P thinks Barclays' staff have acted inappropriately throughout. Including encouraging him to complain to this service but then telling us the complaint was brought out of time. And giving misleading or incomplete information about the £1 payment I've already talked about, the change from MasterCard to Visa and what will happen in the future with his debts.

I've considered carefully everything Mr P has said but I don't think Barclays deliberately tried to mislead him or us. As the investigator has explained, banks are entitled to raise objections to our looking into cases if they think the complaint has been brought too late even if they've addressed the merits of the complaint in their final response letters.

Barclays has already accepted it made a couple of mistakes when dealing with Mr P and refunded some interest and credited extra money to Mr P's credit card accounts by way of an apology. Overall I think the bank has done enough to put things right.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 April 2017.

Ruth Hersey
ombudsman