

complaint

Mr S complains that Barclays Bank Plc made a mistake when it changed his student account to a standard current account. Mr S wants the bank to refund charges and interest and amend his credit file. Mr S is also concerned about the bank's handling of his complaint.

background

Mr S opened a student bank account with Barclays in 2006. When he finished studying in 2009, Barclays should've given him a Higher Education account (HE account) for two years. In error, Barclays recorded the course end date as being 2008. It changed the student account to the HE account in 2008 instead of 2009. The HE account reverted to a standard bank account in 2010 instead of 2011. This meant Barclays started to charge interest on Mr S's overdraft. Barclays has since refunded all interest charges up to October 2011.

Mr S extended his studies in 2011. He says he took proof of this in to a branch in late 2013. Barclays told Mr S that as his additional studies took place between 2011 and 2012 he should've applied for a student account before the course was extended.

Barclays wasn't willing to refund any charges from October 2011. It says it has applied the charges properly.

Mr S says when he visited a branch to raise a complaint, he was told to look for an interest free overdraft with another bank.

Mr S says Barclays shouldn't have withdrawn his overdraft facility while he was pursuing a complaint. Mr S wants Barclays to refund interest and charges, remove the default and allow him to continue using his account.

Our adjudicator didn't recommend that Mr S's complaint be upheld. She was satisfied that Barclays had put Mr S back in to the position he would've been if the bank hadn't made a mistake about the end date in 2008. And she considered that Barclays was allowed to withdraw Mr S's overdraft facility in 2015.

Our adjudicator didn't recommend Barclays remove the default. She agreed that Barclays compensation payments to date of £185 together with a further £100 offered, was fair.

Mr S is very unhappy with our adjudicator's conclusions. Mr S said he visited a Barclays' branch in 2011 to tell it about his continued studies. He doesn't consider Barclays has dealt with his complaint properly. He wanted our adjudicator to listen to every call with the bank.

Our adjudicator listened to some of the available calls and read the contact notes. She told Mr S that her opinion hadn't changed.

Mr S remains unhappy with the outcome. He says his other bank has re-opened his account and given him an interest free overdraft as a gesture of goodwill.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I agree with the conclusions of our adjudicator.

In cases like this, where the evidence is inconclusive, I reach my decision on the balance of probabilities. That means I'll look at all the available evidence and decide what I think is most likely to have happened.

I am very sorry to hear about Mr S's position now that his overdraft facility has been withdrawn. It has affected Mr S's personal and business life and he would like Barclays to do something about this. This service isn't a regulator so I can't punish or fine Barclays. I need to consider what, if anything, Barclays has done wrong. And where appropriate order it to take further steps or pay compensation.

premature change to the HE account

Barclays already agreed that it shouldn't have converted Mr S's student account to the HE account a year early. Barclays refunded the additional charges. I don't intend to add anything in relation to this part of Mr S's complaint.

additional studies

Mr S originally told the bank and this service that he visited Barclays in 2013 to tell it he was still studying. Like the adjudicator, I agree that Mr S should've spoken to Barclays before he extended his studies. The bank could've then considered whether to give Mr S a student account.

Mr S says Barclays told him to try another bank when he complained about charges in 2013. Mr S says because of this he missed the deadline for submitting his university paperwork. But again, if Mr S tried to do this in 2013, once he had graduated, he would've still been too late to apply for a student account.

More recently, Mr S says he did visit a branch in 2011 but the bank wouldn't accept his enrolment papers. Barclays doesn't have a record of Mr S's visit in 2011. I don't dispute Mr S's recollection but I would've reasonably expected him to approach Barclays with the correct paperwork. I can't conclude that Mr S did this so I don't find Barclays should've offered Mr S a student account in 2011.

As from 2011, Mr S had a standard bank account so I can't find that Barclays made a mistake when it charged Mr S interest and fees on his overdraft.

removal of overdraft facility

I've seen copies of letters from the bank dating back to January 2015. Barclays told Mr S that he'd exceeded his overdraft limit. It wrote again in March 2015 before withdrawing his banking facilities in July 2015. I can't reasonably find that Barclays didn't give Mr S the opportunity to avoid his account being closed.

I have heard Mr S explain to Barclays that he didn't make any payments to his account from early 2015 because the bank wasn't listening to his complaint about charges and interest. While I can understand why Mr S felt he had to do this, his overdraft was repayable on demand. So Barclays didn't make a mistake when it withdrew the facility and then closed Mr S's account. Barclays did agree to suspend recovery action while dealing with Mr S's complaint. I agree that this was fair and reasonable.

As I don't find Barclays did anything wrong when it removed the overdraft facility, I can't require it to amend Mr S's credit file.

complaint handling

Mr S is very unhappy with the way his complaint was handled by Barclays. He says the bank hung up a number of calls. Some of Mr S's concerns are about the earlier handling of his complaint and some relate to more recent calls in September 2015.

I've listened to some of the calls that took place in September 2015. I've also read the bank's contact notes from early 2015 onwards. I haven't listened to any calls prior to September 2015 as Barclays has already compensated Mr S for any earlier failings in customer service. I find the compensation payments totalling £185 to be fair.

In September 2015, Mr S wanted the bank to help him urgently as the adverse credit information was causing problems with his mortgage and his business. I can appreciate Mr S's deep sense of frustration and upset. This sometimes meant the conversations became heated to the extent that Barclays felt it had no option but to end one of the calls. But overall, I'm persuaded that Barclays tried to deal with Mr S's complaint. I find the bank's offer to pay a further £100, in addition to the other compensation already paid, is fair. I don't require it to pay more.

other bank's response

I appreciate that Mr S says another bank dealt differently with a very similar problem. I don't want to appear dismissive of this but I need to consider the individual circumstances of this complaint. So seeing details of the other bank's approach wouldn't change my decision.

my final decision

My decision is that I don't uphold this complaint in the sense that I find Barclays offer to pay £100 (in addition to the other compensation already paid) is fair and reasonable. I leave it with Mr S to decide whether he accepts this in full and final settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 8 February 2016.

Gemma Bowen
ombudsman