

complaint

Mr L complains that Barclays Bank Plc asked him to repay a debt which he settled with them in 2007.

background

In 2007, Mr L and Barclays reached an agreement over a credit card debt he had with them. The agreement meant Mr L would pay the majority of the balance and Barclays wouldn't pursue him for the remainder, which was £1,019.06.

Ten years later, Barclays passed the account to a debt recovery agent and they began to chase Mr L for the part of the balance he thought he'd no longer be asked to repay. Mr L received letters, text messages and telephone calls, some of which were received by his mother.

Mr L complained to Barclays about their mistake. In response, Barclays took the account back from the debt recovery agent and reassured Mr L that they would no longer contact him about the debt, in line with their agreement made in 2007. Barclays also paid Mr L £130 for the inconvenience they had caused.

Mr L didn't accept Barclays' offer because he said it was too low and brought his complaint to us. Our investigator found in Mr L's favour and asked Barclays to increase their offer to £250 which they agreed to do. Mr L disagreed and said Barclays should pay him more than £250 and somewhere near the amount they had chased him for.

Our investigator didn't find he could fairly ask Barclays to offer more, so Mr L has asked for a final decision to be made on his case.

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've reached the same overall conclusions as the investigator did, for much the same reasons.

It's clear from Barclays' records that an agreement was made more than ten years ago over the payment of Mr L's credit card balance. Barclays have explained the error they made in passing the account to a debt recovery agent and the knock on effects of chasing Mr L for repayment. Barclays have taken the account back, so he'll no longer receive letters, calls or text messages asking for repayment. So, I find Barclays have taken the appropriate action to prevent the same thing from happening again.

Mr L has told us that the debt recovery agent made contact with him numerous times over a three-month period and this has caused him distress and inconvenience. The telephone number Barclays had on file for Mr L was his mother's and I can see how this made the matter embarrassing for him. I've also considered that when Mr L told Barclays what was happening, they acted within a week to put things right. I understand why Mr L may have wanted to ignore the contact from the debt recovery agent when they started chasing him in July 2017. But, I think Barclays worked quickly to sort the situation out once they became aware of their error.

Mr L says he'd like a compensation payment which matches the balance he was being chased for. I agree that Barclays should pay compensation to Mr L, but I find it should reflect the distress caused to him. I don't think we can consider the balance he was asked to repay by Barclays a fair way to measure the impact the mistake has had.

Barclays have accepted they've fallen short in their responsibilities with Mr L's account and I agree he has been caused a good deal of distress. I can also see that Mr L feels strongly about what happened. But in all the circumstances of this complaint, I find £250 is a fair and reasonable award to reflect the distress and inconvenience Mr L was caused as a result of Barclays' mistake.

my final decision

My final decision is that Barclays Bank Plc have made a fair offer. In settlement, they should pay Mr L £250 in total and if Mr L accepts this decision.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 4 June 2018.

Sam Wedderburn
ombudsman