

complaint

Miss E complains that Barclays Bank Plc failed to give her proper notification that it intended to place default markers on her credit file.

background

Miss E faced financial difficulties in 2009 and exceeded her overdraft limit on two accounts she held with Barclays. The bank sent Miss E a letter notifying her that it had withdrawn banking facilities. Miss E responded with an offer to repay her debts, which the bank did not find acceptable. It then issued notices terminating the accounts. A few days prior to default notices being sent to Miss E the bank registered the defaults on her credit file. Subsequently Miss E entered into an arrangement to repay the debts which were cleared in 2012.

In 2013 Miss E realised she had two default markers on her credit file and complained to Barclays. The complaint was passed to this service. The adjudicator did not recommend that it be upheld. She recognised that the default notices had not been issued 28 days before the defaults were registered. However, she took the view that in 2009 Miss E was not in a position to repay the debts and the default markers gave an accurate reflection of Miss E's situation. Miss E had also claimed some expenses relating to the pursuit of her complaint and the adjudicator did not consider it appropriate for the bank to cover those costs. Miss E did not agree and felt that the default markers were invalid and should be deleted.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

The issue raised by Miss E is whether the defaults registered on her credit file are valid. The bank accepts that the requisite 28 day notice was not given before the defaults were registered. However, it argues that Miss E would have been aware from earlier letters that this was a possibility.

As set out above my role is to decide what is fair and reasonable in this case and if I were to conclude that the defaults, as currently registered, were invalid I would then have to consider what needed to be done to rectify the situation. This leads to me to consider whether Miss E was in a position in 2009 to clear her debts. I have seen nothing to indicate that she could have repaid them as required by the bank. In fact, she only cleared them some three years later. I conclude that Miss E was not able to settle her debts in 2009. It is also worth noting that even though she entered into an arrangement to clear the debts later in 2009 this would not have prevented the bank from registering a default. Barclays had an obligation to accurately record Miss E's credit status.

In these circumstances, if I were to uphold this complaint, I consider the appropriate action I should take would be to require the bank to alter the date of the default registrations. That would mean they were dated 28 days after the relevant notices were sent to Miss E. This would have the effect of delaying the date they will be removed from her credit file. In the circumstances I conclude that I do not see any merit in upholding this complaint.

As for the additional costs Miss E is seeking to cover postage and incidentals, I do not consider the bank should fairly cover these.

my final decision

My final decision is that I do not uphold this complaint.

Ivor Graham
ombudsman