

## **complaint**

Mr A complains Barclays Bank Plc (trading as Barclaycard) defaulted him when it shouldn't have.

## **background**

Mr A had been on a repayment plan of £30 a month with Barclaycard since 2013. He says he contacted Barclaycard in late 2016 to ask if he could pay £25 that month because he was changing jobs. He says Barclaycard agreed to this, but later defaulted his account. He didn't think this was fair so he complained.

Barclaycard said as Mr A could only afford £25 a month it was unable to agree to his repayment proposal. It said defaulting the account was the only option, and it'd backdated the default to March 2013 – the date he'd entered the repayment plan. But it accepted it could've explained things better and offered Mr A £50 compensation in recognition of this.

Mr A didn't think this was a fair outcome so he brought the complaint to our service. One of our investigators looked into the matter. She thought it had been reasonable for Barclaycard to default Mr A's account as he wasn't able to make his full contractual payments.

Mr A said he'd kept to the repayment plan for years, and felt a default was unfair as he'd reduced his debt from about £3,000 to about £1,800. He wanted the default to be removed and to be allowed to continue to make reduced payments.

The investigator considered Mr A's comments, but her opinion remained the same. As an agreement couldn't be reached the complaint has been passed to me to decide.

## **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'm not upholding it. I'll explain why.

Mr A had a Barclaycard account. A change in his circumstances meant he couldn't keep up with his minimum monthly payments, so in 2013 he entered into a repayment plan. This was for £30 a month, and meant Barclaycard reduced the interest and charges being applied to the account. The situation was reviewed annually.

In late 2016 Mr A asked if he could pay £25 as he was changing jobs. By this point Mr A had been making reduced payments for nearly four years so Barclaycard reviewed the situation. It decided it was unable to agree to a further repayment plan, so unless Mr A was able to start making his contractual monthly repayments - which Barclaycard says would've been about £60 a month - it was going to default the account. I think this was reasonable. Barclaycard had given Mr A nearly four years breathing space for his financial circumstances to improve. And repayment plans aren't meant to last indefinitely.

Barclaycard backdated the default to when the repayment plan first started - March 2013. I think this was a fair thing to do as it means the default will come off Mr A's credit file six years from then, rather than six years from sometime in early 2017. This is of benefit to Mr A. Another benefit of the account defaulting is that no further interest or charges will be applied to the account, meaning Mr A will be able to pay off his debt faster.

Mr A says he didn't receive a default notice from Barclaycard, which I accept. But even if he'd got it, it seems he couldn't afford payments of about £60 a month. So I don't think this has changed the position he's now in. And for the same reason, I don't think things would've worked out differently if Barclaycard had explained things better. So I think the £50 compensation it paid Mr A was a fair way to make up for its lack of clarity.

**my final decision**

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 19 January 2018.

James Langford  
**ombudsman**