

The complaint

N complains about mistakes and poor service from Barclays Bank Plc trading as Barclaycard after its director set up a payment plan for a credit card.

What happened

N is a limited company that holds a Barclaycard. In February 2021 N's director, Mr G, agreed a payment plan for its credit card. Mr G agreed to make payments of £26 a month and interest was suspended. The plan came to an end in December 2021.

Mr G has explained he contacted Barclaycard in January 2022 to discuss extending the plan. Mr G says that despite agreeing a plan, in the months that followed N's credit card was charged interest by Barclaycard and he had to contact it on numerous occasions. Mr G and Barclaycard agreed a payment plan for 12 months in July 2022. Barclaycard also took the step of refunding interest to N's credit card. But when Barclaycard set up the new payment plan it failed to amend the direct debit instruction and the first payment taken was £120 instead of £55.

Mr G raised a complaint on N's behalf and Barclaycard issued a final response on 30 August 2023. Barclaycard apologised for the service provided and confirmed interest of £154.34 and £75.25 plus a £12 fee had been refunded. Barclaycard added that it only offers temporary payment plans for fixed terms and that they have to be reviewed when expired. Barclaycard explained there was no option to have a plan in place until the balance is repaid in full. Barclaycard paid N's credit card £500 in recognition of the inconvenience caused.

An investigator at this service looked at N's complaint. They agreed that the service provided was poor at times but thought Barclaycard's offer of £500 was a fair way to resolve N's complaint. Mr G asked to appeal N's case and said various people at Barclaycard had made mistakes and provided incorrect information. Mr G added that he had spent six months calling Barclaycard and was provided with misleading information about the nature of N's payment plan. Mr G raised concerns that N's credit card payment record may've impacted his credit history. And Mr G said the compensation wasn't paid to N but was used to reduce the credit card balance.

As Mr G asked to appeal N's case, it's been passed to me to make a decision.

What I've decided – and why

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

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've

focused on what I think are the key issues. My approach is in line with the rules we operate under.

I can understand why Mr G is frustrated by the way his credit card was handled by Barclaycard. It's clear that Mr G was given confusing information that changed with the different people he spoke to over a period of several months. I've looked at the contact notes, paying particular attention to the period between January 2022 and July 2022. It's clear Mr G called on various occasions, gave information about N's circumstances and discussed a number of plans. Instead of requiring Mr G to continue calling Barclaycard on N's behalf, I think it should've ensured the relevant payment plan was put in place at an earlier stage. I agree the way Barclaycard handled N's account was below the level of service it should've provided. I've taken this on board when considering how to fairly resolve N's complaint.

Barclaycard has made the point that it doesn't offer permanent payment plans that remain in place until the account is repaid. Barclaycard confirms it only offers temporary fixed term payment plans. When a payment plan reaches the end of its term, Barclaycard says it will then review N's circumstances by asking questions and completing an income and expenditure assessment. Once Barclaycard is in possession of the relevant information, it will then agree a plan that is sustainable for N. I appreciate that goes against what Mr G's told us he was advised by agents at Barclaycard. But the approach is very much in line with the relevant regulations and what we'd expect to see from a lender. I appreciate Barclaycard may have provided misleading information on this point, but I'm satisfied it has confirmed the correct approach and that Mr G was likely given the wrong information.

I'm sorry to disappoint Mr G but we wouldn't expect a business to be bound by a genuine error. And, as I've said above, I'm satisfied Barclaycard has confirmed the correct position in that it only agrees fixed term temporary payment plans. That means Mr G will need to work with Barclaycard going forward to ensure affordable payment plans are put in place for N's credit card.

I can see that Mr G did have to spend a significant amount of time discussing the credit card with Barclaycard. And it's clear the situation went on for several months. Barclays paid N £500 for the inconvenience caused. In response to the investigator, Mr G's told us about how stressful he found the situation. But in this case, Mr G's role is that of director and representative of N. N is a limited company and is the complainant here. Whilst I don't doubt how Mr G was impacted, I can only award compensation to the complainant. So whilst I understand Mr G suffered distress and inconvenience, our rules don't allow me to award him compensation in his own right.

In much the same way, Mr G's raised concerns about whether N's credit card has impacted his personal credit file. But in this decision I can only look at how the issues raised have impacted N. If Mr G finds missed payments or other information on his credit file reported by Barclaycard that he feels is wrong, he has the right to raise concerns in his own right. I leave it to Mr G to decide how to proceed.

I've considered everything that Mr G has told us about how the issues affected N. Whilst I can see Mr G spent a significant amount of time dealing with this matter, I'm satisfied the £500 settlement Barclaycard paid fairly reflects the impact to N and inconvenience caused. As I'm satisfied Barclaycard has already agreed a settlement that is fair and reasonable in all the circumstances, I'm not telling it to do anything else.

In response to the investigator, Mr G said Barclaycard had used the £500 compensation paid to reduce N's credit card balance. But compensation of that nature should be offered directly to the complainant rather than being used to reduce borrowing. So, if Mr G wants the

£500 payment to be transferred to N's business account, I'd expect Barclaycard to proceed on that basis.

As I'm satisfied Barclaycard has already agreed a settlement that is fair and reasonable in all the circumstances I'm not telling it to do anything else.

My final decision

My decision is that Barclaycard has already agreed a settlement that is fair and reasonable in all the circumstances.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 25 October 2023.

Marco Manente
Ombudsman