

The complaint

Mr C complained that Barclays Bank UK PLC allowed a £9.45 payment to go through on his Barclaycard after he had closed the account. He said this meant that he had to pay more on a remortgage. Mr C wants £25,000 compensation.

What happened

Mr C opened a Barclaycard in April 2019. On a number of occasions, he missed making a payment or was late paying the minimum payment. Barclays sent him letters about this, for example in August, September, November and December 2021, and in January 2022 it sent him a letter saying he'd missed three payments. This letter included: *"We send information about how you manage any accounts you hold with us to the Credit Reference Agencies. Missed or late payments may affect your ability to borrow in the future. If you're worried about this and want to stop further impact to your credit rating, please get in touch."*

Between 20 January and 1 February, Mr C made four payments to his Barclaycard, bringing the balance to zero.

On 6 February, there was a £9.45 transaction to a retailer Mr C had previously used frequently. So his statement issued on 8 February showed a balance of £9.45, and it said a £5 minimum payment was due by 7 March. Mr C's statements were sent electronically.

Mr C didn't make a payment. His statement issued on 8 March showed a travel transaction on 16 February for £4.10, so, with the previous £9.45 balance plus 20p interest, the balance was £13.75.

Barclays tried to contact Mr C by text, email and letter over the next few months. On 20 July, Mr C paid £15.08 which was the balance and interest outstanding at that point, bringing the balance to zero.

On 19 September, Mr C contacted Barclays and disputed the 6 February £9.45 transaction. He said he hadn't opened his online statements sent to him, because he said the account had been closed with a nil balance.

On 22 September, Mr C contacted Barclays again and complained. He said that in February 2022 he had asked for the account to be closed, which Barclays hadn't done. He told Barclays that he wasn't sure whether or not he had authorised the £9.45 transaction on 6 February. Mr C also asked for the late payment markers for March to July 2022 to be removed from his credit file.

In Barclays' final response letter on 5 October, it said that its fraud department had accepted the £9.45 transaction as fraudulent and had credited it back to the account. It closed Mr C's account, sending the £9.45 credit to his bank. It also paid him £25 for the service received, and said it had arranged for the late payment markers from March to July 2022 to be removed from Mr C's credit file.

Mr C wasn't satisfied and complained to this service. He said that when he complained to Barclays, he'd been at the point of re-mortgaging. He said he'd been declined by High Street lenders, including his existing mortgage lender, because of missed payments on his credit file. Mr C calculated how much more interest, and fees, he believed he'd pay over the five year fixed term of the mortgage with his new lender, and said that he wanted £25,000 compensation from Barclays.

Our investigator didn't uphold Mr C's complaint. She said that although Mr C had cleared the balance on his account at the start of February, there was no evidence that he'd instructed Barclays to close the account. Barclays had also notified Mr C about the subsequent transaction by text and letter, using the correct address and phone number recorded on the system. The investigator also said that she couldn't agree that Mr C being declined for his preferred mortgage could be solely attributed to the February transaction. She thought that the £25 Barclays had paid Mr C was fair, as there had been no evidence of any instruction to close the card, and Mr C had been notified about the outstanding balance.

Mr C didn't agree. He sent a screenshot of a text message from Barclays confirming the instruction to close his account. But the investigator pointed out that this wasn't dated. Mr C sent a revised version with a date added below the previous screenshot. The investigator also asked Barclays to check its chat records for February 2022 but Barclays didn't find anything from Mr C.

Mr C said he hadn't received any letters from Barclays because he'd moved house shortly after closing the account in February. But the investigator didn't change her view.

Mr C asked for an ombudsman's decision. He sent a list of points, including why would he check his account if it had a zero balance and was closed. He said the reason his address wasn't changed on Barclays' records until late July 2022 was that that was the first interaction he'd had with them, via text. He said that for the sake of £9.45 it had cost him thousands of pounds and also affected his health. He said that the last person he'd spoken to at Barclays had said *"they'll put this through as fraud, as it would cost them too much money to investigate."*

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.

As I've set out above, in addition to the 6 February £9.45 transaction which Mr C later disputed, there was another transaction on 16 February, a travel transaction for £4.10. Mr C never disputed that transaction. So he must have known at that date that the account hadn't been closed when he'd reduced the balance to zero on 1 February. He must also have known that he'd have to pay for that undisputed transaction at some point. I can't see how he could genuinely have believed the account had been closed at the start of February, after he used the card later in the month and that undisputed transaction went through successfully on 16 February.

I've also seen evidence that shows that Barclays contacted Mr C multiple times about the balance on his account after Mr C reduced the balance to zero at the start of February 2022. It also did this by electronic means, not just by the postal letters from its collections team. So Mr C moving home at some point around that date doesn't make any difference to whether or not he received information about his account.

Mr C's statements were electronic, and the contact notes record that Mr C told Barclays that he hadn't opened his online statements after February 2022 because he said the account

had been closed. In view of the undisputed 16 February transaction, I find it unlikely that he could reasonably have believed the account was closed. And even if he did think it was closed, it would be reasonable to expect him to have opened them, to check why he was still getting them.

I also note that Barclays had sent Mr C multiple missed payment letters before February 2022. I've set out the dates of some of those in the facts above. Banks have a responsibility to report missed payments. So there would have been several other missed and late payment markers which would correctly have been reported on Mr C's credit file from previous Barclaycard payment problems. This means that any issues Mr C might have had on his credit file can't be attributed solely to the one £9.45 payment which he later disputed. It's much more likely to have been a history of missed and late payments.

In any event, without a full picture of Mr C's finances, income, expenditure and credit records, it's just not possible to attribute any mortgage rejections to Barclaycard alone. I also note that the mortgage offer which Mr C sent to us was in joint names. So any credit problems might have related to this joint applicant too. There is simply insufficient evidence to conclude that one £9.45 disputed transaction was responsible for Mr C and his partner being declined for the mortgage they wanted. On balance, I consider it's more likely than not that this issue wasn't responsible for Mr C and his partner's failure to be accepted for the mortgage they wanted.

Finally, Barclays paid Mr C £25 for customer service. I find that this was generous in all the circumstances of this complaint, and I don't require Barclays to do more.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 31 July 2023.

Belinda Knight
Ombudsman