

The complaint

Ms H is unhappy Barclays Bank UK plc trading as Barclaycard defaulted her credit card, sold the debt to a third-party agent and placed a default on her credit file whilst she was unwell.

What happened

Ms H contacted another part of the Barclays Group in March 2022 to advise it of her financial circumstances. She continued speaking with the other part of the group, not Barclaycard.

Barclaycard sent various items of correspondence to Ms H regarding her credit card debt. Letters were sent between May 2022 and July 2022. In each letter, Barclaycard advised what arrears were outstanding on Ms H's account, what action needed to be taken, what the consequences could be if payment wasn't made and gave a telephone number for contact.

Barclaycard issued a notice of default under the Consumer Credit Act 1974 in August 2022. And then advised Ms H in September 2022 that a default had been registered.

Ms H raised a complaint with Barclaycard because she said it had failed to treat her sympathetically. Ms H asked Barclaycard to recall the debt, remove the default and correct her credit file.

Barclaycard didn't uphold Ms H's complaint. It sympathised with Ms H's situation but said it wasn't aware of Ms H's vulnerabilities. It further commented it had followed its normal process for dealing with accounts in arrears. Unhappy with this response, Ms H referred her complaint to this service.

Our investigator looked into the complaint and concluded Barclaycard hadn't done anything substantially wrong. They said there was no evidence Barclaycard had been made aware of Ms H's vulnerability and there was no record of Ms H having made direct contact with Barclaycard. So, they thought Barclaycard had acted fairly and reasonably.

Ms H disagreed and asked for an ombudsman's 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.

In this decision, I'm focusing on Barclaycard's actions in relation to Ms H's credit card. There's another complaint about a different account held with the Barclays Group which is being considered separately by this service.

It's clear that this complaint happened at what was already a very difficult time for Ms H. I've considered all she's told us about her personal situation and circumstances when looking at this complaint.

Ms H believes Barclaycard shouldn't have defaulted her debt, sold it to a third-party agent and registered the default with the Credit Reference Agencies (CRA's). What I have to

decide is whether Barclaycard did anything wrong in taking the action it did and whether it acted fairly and reasonably in Ms H's circumstances.

Barclaycard followed its normal process in dealing with Ms H's credit card debt. The rules regarding this are set out in the Consumer Credit Sourcebook (CONC) which is published by the Financial Conduct Authority (FCA).

I've read the letters sent by Barclaycard to Ms H and can see that in each one, there was a number given for contact if payments couldn't be made. The letters also pointed out what the arrears situation was, what the next steps could be if payment wasn't received and how to make payments. The letters were sent to Ms H's correspondence address and there's been no suggestion that the letters weren't received. But even though a total of three pre-default letters; the default notice itself and the confirmation a default had been registered were sent, I've seen no evidence Ms H contacted Barclaycard directly. That being the case, I don't think it's unreasonable that Barclaycard continued and completed the process it was following.

Ms H has said that if Barclaycard had been aware of the situation, she wouldn't be in the situation she's in now. I've considered that point carefully. I note that Ms H had discussions about her circumstances with other parts of the Barclays Group. It doesn't seem like what she told it in relation to another account she held was passed onto Barclaycard here. But, even if Barclaycard had been aware of Ms H's situation, I'm not persuaded things would be different. Ultimately, Ms H couldn't either provide the information Barclaycard would've needed or make the required payment. So, I think the defaulting of the account was unavoidable in the circumstances and so Barclaycard haven't treated Mrs H unfairly or unreasonably.

It also follows that as Barclaycard need to report accurate information about the situation with the account, they were right to advise the Credit Reference Agency(s) that the account had been defaulted. So, I can't ask them to remove information which is factually correct.

My final decision

I don't find that Barclays Bank UK plc trading as Barclaycard acted unfairly or unreasonably in the actions it took in relation to Ms H's account so I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 30 May 2024.

Stephen Farmer
Ombudsman