

The complaint

Ms H complains that Barclays Bank UK PLC trading as Barclaycard have charged her for a subscription she believed was cancelled and defaulted her account.

What happened

Ms H says she had taken out a security policy but she cancelled this in June 2021 as she had not used her Barclaycard in two years. Ms H says that the payment for the security policy was charged to her Barclaycard account and they sent her a text to say she hadn't made a repayment on the account and charged her a £12 late fee. They sent another text the following month and charged her another late fee. Ms H says Barclaycard rang her in either August or September 2022 and she explained the situation to the call handler who agreed with her that she wasn't liable for the payment. Ms H says Barclaycard texted her again in September and October adding more charges and she felt harassed with the communication from Barclaycard. Ms H says her credit card expired in December 2021, so she didn't have an account with them. Ms H made a complaint to Barclaycard. Her account had defaulted and was passed to a debt management company (DMC).

Barclaycard did not uphold Ms H's complaint. They said a transaction was made to the third party security company on 21 April 2022 for £99.99, which generated an outstanding balance on her account. As no further payments were made towards her account following this point, this led to a default being registered on 28 October 2022. Barclaycard said they had been unable to find any evidence to suggest her policy with the third party security company was cancelled. They said they also hadn't been able to locate the previous calls that she referred to. They said while Ms H was unhappy with the contact she received from Barclaycard, they have a requirement to contact customers when an account falls into arrears, and they applied interest and charges in line with the terms and conditions. Ms H brought her complaint to our service.

Our investigator did not uphold Ms H's complaint. She said Ms H had told her that she cancelled the policy with her building society, but this wouldn't have cancelled the third party security agreement. She said it's likely the direct debit for Ms H's Barclaycard was cancelled at this time and that is why the direct debit didn't automatically take the payment in May 2022. She said Barclaycard hadn't made the third party security payment to the account as this was a charge from the third party company for something not related to the credit card. Our investigator said that as Barclaycard didn't receive a payment, the account defaulted and was passed to a DMC, which Barclaycard were entitled to do.

Ms H asked for an ombudsman to review her complaint. She made a number of points. In summary, she asked why it was Barclaycard and not the third party security company who were chasing her for payment, she couldn't be the only person who stopped a service by cancelling it with her building society, she said the call handler she spoke to agreed she was not liable and Barclaycard's behaviour was aggressive in their pursuit of repayment. She said her card expired in December 2021 and she couldn't pay for anything with an expired card.

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.

Ms H has made a number of points to this service and I've considered and read everything she's said and sent us. But, in line with this service's role as a quick and informal body, I'll be focusing on the crux of her complaint in deciding what's fair and reasonable here.

Ms H has mentioned that her card expired in December 2021. But an expired card would not mean her account is closed. And as Barclaycard have shown that Ms H received her statements online and by post, it should've been clear to Ms H that her account wasn't closed.

Ms H has told us that she cancelled the direct debit to Barclaycard in June 2021 as she no longer used her card. But this wouldn't stop any payments debiting her account. It would just mean that Barclaycard would not be able to take repayments via this method. So neither an expired card or a cancelled direct debit would have notified the third party security company that Ms H may not wish to continue her subscription which she also paid for in 2020 and 2021. Ms H would've needed to contact the third party direct to cancel this payment, but I've not been provided with any evidence that she did this. I've also seen no evidence from Barclaycard's customer notes that Ms H told them prior to April 2022 that she didn't want the third party security company payment debiting her account.

Although Ms H says her card had expired, this doesn't mean that payments could not be debited from her account. Once a recurring payment such as the one to the third party security company has started it is linked to the account, not the card. So the fact Ms H's card had expired would not prevent payments such as this being stopped, unlike if she tried to use an expired card in a shop to pay for something.

The third party security company was responsible for the debit of the £99.99 on 21 April 2022. The payment went to them. This is why the third party company did not need to chase Ms H for the funds, as these were owed to Barclaycard. I can see that Barclaycard sent a statement showing this payment to Ms H and the address matches up to what she provided to our service. Ms H's statements show that she didn't make a repayment, so Barclaycard started their collections procedure. I know Ms H found the contact to be harassing, but Barclaycard would need to try and get in touch with her to see if she was suffering from financial difficulties and see if they could collect what was owed to them. It is not the role of this service to say what their collections process should be or how many times and by what method they should try and contact Ms H by.

Barclaycard have said they couldn't locate the calls Ms H was referring to. I've looked at the customer notes to see if I can see any record of any calls she had with Barclaycard, such as the one where she says she was told in August or September that she wasn't liable for the payment, but there are no notes detailing any calls prior to April 2022, apart from a call on 17 January 2019 when she set the direct debit up, so I can't evidence that she was told she wasn't liable for the payment by a Barclaycard call handler. And if she was told this, it would be incorrect information as there was an outstanding balance on her account during this time. So she would still be responsible for paying the outstanding balance.

I can see Barclaycard wrote to Ms H at her registered address on 19 June, 12 July, 10 August 2022 about the arrears. They sent her a default notice dated 13 September 2022, which told her she needed to clear the arrears by 14 October 2022. But as Ms H didn't do this, Barclaycard registered a default with the Credit Reference Agencies and passed her account to a DMC, which the terms and conditions allowed them to do. So it follows I don't

require Barclaycard to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 23 August 2023.

Gregory Sloanes
Ombudsman