

The complaint

Mr W complains that Barclays Bank UK PLC trading as Barclaycard cancelled the payment plan set up on his credit card after 12 months and hasn't provided him with the service it should have.

What happened

Mr W had two credit card accounts with Barclaycard. He explained he was unemployed for a period in 2018 and 2019 which caused him financial difficulties and both his credit card accounts defaulted and payment plans were put in place. Mr W said he wasn't told that the payment plans were only in place for 12 months and after this new plans needed to be set up. He was asked to complete an income and expenditure form before his payment plan could be reset but he explained he found this very stressful. Mr W said that Barclaycard's policies hadn't been applied consistently as he was still making his payment of £48 a month on one card but wasn't making payments on his other card. He said late payment markers were being added to his credit file even though he was told they wouldn't be and his request for the debts to be consolidated and of other ways to pay were refused.

Barclaycard issued a final response letter dated 15 December 2022. It said that Mr W had set up a standing order in July 2021 which was due to expire in June 2022 in line with when his payment plan was due for review. It apologised if Mr W wasn't made aware of this at the time. It noted Mr W's comment about late payment markers being recorded on his credit file but said that as Mr W's accounts had defaulted there was no further impact on his credit file. It noted Mr W's comment about completing an income and expenditure form causing him anxiety and stress but said this information was needed before a formal plan could be put in place. It said it wasn't able to comply with Mr W's request to consolidate his outstanding debts.

Our investigator didn't uphold this complaint. He noted that Mr W's complaint was in regard to the credit card account on which his payment plan was cancelled. He said that Barclaycard provided a copy of a letter dated 27 July 2021 saying that a repayment plan had been set up to run for 12 months ending on 30 June 2022. Therefore, he didn't agree that Mr W wasn't told the repayment plan was only in place for 12 months. He noted that one repayment plan had continued while the other had stopped but said they were separate agreements, and each card was at a different stage in the collections process. He noted that Mr W found completing an income and expenditure form stressful but said this was needed by Barclaycard to ensure any agreed repayment plan was affordable. Regarding Mr W's request to consolidate the accounts he said as these were separate agreements this wasn't possible and while Mr W hadn't been given a paying in book, he had been provided with the account details to make payments.

Mr W didn't accept our investigator's view. He said that his two accounts were based on the same contract and terms and conditions. He said that while the letter our investigator referred to said the repayment plan ended on 30 June 2022 it didn't say anything about his payments being cancelled. He said there was nothing in the terms to say that an income and expenditure form needed to be completed and that he didn't have the details to make manual payments.

Our investigator responded to the points Mr W raised but as Mr W still wasn't satisfied an agreed outcome hasn't been reached. Therefore, this complaint has been passed to me, an ombudsman to issue 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 understand that Mr W is upset that his repayment plan on one of his credit cards stopped after 12 months but for me to uphold this complaint I would need to be satisfied that Barclaycard had done something wrong or treated Mr W unfairly.

I note Mr W's comment about the terms of the repayment plans not being in the account terms and conditions, but we wouldn't expect this to be included. I say this because the account terms and conditions will set out the key features of the account and the contractual obligations, but repayment plans are set up in circumstances where a customer isn't able to make the contractual payments and so the terms of each will vary depending on the customer's circumstances. What we would expect is for Barclaycard to provide Mr W with clear information about any repayment plan he had set up.

Barclaycard sent Mr W a letter dated 27 July 2021 setting out the balance on his account, the agreed monthly payment amounts and that the plan would run for 12 months ending on 30 June 2022. Having looked at this information I find it provides Mr W with clear details about his plan and its term. Mr W has said while the letter says the plan's term is 12 months it doesn't say that the payment will be stopped after this. However, the letter requires Mr W to set up the payments and says Mr W should get in touch before the plan ends. Based on this I find that Mr W was made aware his repayment plan was for 12 months.

Barclaycard sent Mr W a letter dated 5 July 2022, saying his repayment plan was due for review. While Mr W may have wanted his repayment plan to continue without review, as the previous repayment plan was set up for 12 months it is right a review would take place before a new repayment plan was put in place. I note Mr W's comments about how stressful completing an income and expenditure form is and that he is better placed to say how much he can afford, and this should be accepted. But Barclaycard is required to undertake reasonable checks to ensure that any new repayment plan is affordable, and it will have its own policies for doing this. It explained that Mr W could complete the form and post it, or he could talk through this on the telephone or submit it online. I find that Barclaycard was acting reasonably by requesting this information be completed before any new repayment plan was put in place and it provided Mr W with different options of how to do this.

I understand that Mr W wanted his two credit card debts to be consolidated but Barclaycard has said this can't happen. I appreciate that Mr W doesn't think this is right, but Barclaycard isn't required to undertake a consolidation process for the accounts. Mr W has also complained about it being difficult to make manual payments, but I note that Barclaycard provided him with the details he needed to make these in its final response letter.

While I understand that Mr W feels he hasn't been treated fairly, in this case I do not find I can say that Barclaycard has done anything wrong in regard to his repayment plan review or that it has treated Mr W unfairly. Therefore, I do not uphold this complaint.

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 W to accept or reject my decision before 4 December 2023.

Jane Archer
Ombudsman