

The complaint

Mrs T complains Barclays Bank UK PLC transferred her overdraft debt to a debt collector while a complaint was ongoing.

Mr and Mrs T are on this complaint, but as this issue only relates to Mrs T's concerns, I've mainly mentioned her in this decision.

What happened

From the information I have it seems Mrs T was contacted by a debt collector on behalf of Barclays which led to her calling Barclays on 16 November 2022. The notes provided by Barclays say Mrs T felt it was unlawful for them to have passed her debt on to a debt collector.

Barclays provided a complaint response on 18 November 2022, they said sorry for passing her overdraft debt on while an existing complaint was in progress and paid her £40 for this.

Unhappy with this, Mrs T asked us to look into things. Mrs T has provided a substantial amount of information about previous complaints. Those issues have been addressed in a separate decision, so I won't be discussing them in this decision.

As part of our standard process, we asked Barclays for their file. When they replied, they explained it didn't appear as though any other complaint was being considered by us at the time.

One of our Investigators considered this issue and felt overall Barclays had acted fairly. Mrs T didn't accept that, so the complaint's been passed to me to decide.

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.

It's quite common practice for lenders to pass or sell debts on for other companies who specialise in debt collecting or debt purchasing to take on – and the terms and conditions of lending accounts usually allows them to do this.

So, as a starting point, I don't think it's unlawful as Mrs T has seemingly suggested. But, even if Barclays shouldn't have done this, they did recall the debt, said sorry for this and paid her £40 compensation.

That means effectively all I'm required to decide is whether Barclays have done enough, and I think they have.

I say that because I'm not currently convinced Barclays did make an error in passing Mrs T's account over to a debt collector – and indeed they may do so again in the future. I've said

this because, as I've mentioned above, it's likely the terms and conditions of the account allow them to do so.

That said, I think Barclays did make an error when they told Mrs T there was an ongoing complaint with our service – when actually there wasn't.

Overall, I think £40 is fair compensation to reflect any distress Mrs T may have been unnecessarily caused by Barclays actions.

My final decision

Barclays Bank UK PLC have already paid £40 to settle this complaint and I think that's fair in all the circumstances. So, I don't require Barclays to take any further action.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T and Mrs T to accept or reject my decision before 15 February 2024.

Jon Pearce
Ombudsman