

The complaint

Mrs H complains that Barclays Bank UK Plc incorrectly changed her address meaning she didn't receive her loan statements which impacted her financially and her personal information was received by a third party.

What happened

Mrs H told us:

- She took out a business loan with Barclays in 2008 to restructure personal debts which had been transferred into her name due to her husband's credit issues. She was charged around £3,000 by the bank for the loan as it was unaffordable to her, and her father had to act as a guarantor.
- It was unfair that Barclays had forced her to take out a loan for her husband's debts, which was never affordable, and then charged a fee for a guarantee that was never going to be used.
- She moved house in June 2012 and the bank didn't update her address. This meant that she didn't receive loan statements telling her that her repayments had reduced when the base rate did. In 2021, she was made aware that consequently, she'd overpaid on her loan by enough to cover three years of loan repayments.
- In 2017, she wrote to Barclays to see what was outstanding but didn't receive a response, so she stopped paying the loan.
- In August 2021, Barclays started contacting her and made her aware that there was around £8,000 outstanding (the loan was for £20,000 originally) and had been defaulted in 2020, which had impacted her credit file and then been passed to a debt collection agency - without the bank making contact with her.
- She requested a SAR which showed that Barclays hadn't updated the address on her loan account until January 2022, so her confidential mail had gone to the wrong address for around 10 years.

Barclays told us:

- Mrs H's loan had been taken out in 2008 and she'd had the benefit of the funds since this date. Based on the information available, they didn't believe it had been mis-sold and the complaint hadn't been brought in time for the bank or this service to consider.
- Mrs H had also complained about the £3,000 fee being charged for the loan. However, it hadn't charged this as an arrangement fee which could be evidenced in the loan agreement. This may have related to solicitor's fees, but it was unable to confirm this due to the time that had passed.
- It acknowledged Mrs H had stopped making repayments in 2017. However, due to the overpayments that she'd made on the loan, she hadn't needed to start again until April 2020. It accepted it should have contacted her at this point but didn't do so.
- It had apologised for this oversight and paid Mrs H £175 compensation for the inconvenience caused and refunded her the interest which had been charged between November 2017 and October 2021.

- It had identified there was a discrepancy with Mrs H's address which hadn't been spotted initially and meant that correspondence had been sent to Mrs H's old address. It had apologised for this oversight and paid Mrs H £400 compensation.
- Mrs H had raised other complaints; however, these would be addressed under separate complaint reference numbers and had not been considered under this complaint.

Our investigator thought Barclays had done enough to put things right. He said that it wasn't clear why the business loan was taken out in Mrs H's name in 2008 or when her address was changed on Barclays' system due to the time that had passed. And because this was more than six years ago, we couldn't look into this as there wasn't evidence of exceptional circumstances or that Mrs H wasn't aware at the time.

The investigator also said that Mrs H stopped making payments to the loan in 2017 as she thought the loan was repaid – but there was nothing to say that was the case. He noted that Mrs H had overpaid on her loan, but this hadn't negatively impacted her as it had still been paid off the outstanding balance. He also thought that Mrs H could have requested lower payments if needed. However, Barclays had made a mistake with Mrs H's address which meant that she wasn't contacted. So, the bank had apologised, refunded the interest she'd incurred on the loan from 2017 and paid £575 compensation for these errors.

Mrs H didn't agree. She said the investigator hadn't sufficiently commented on the address change and she also didn't think the compensation was enough for the inconvenience caused or embarrassment of her mail being sent to another address. So, she asked for an ombudsman to look into her complaint.

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.

Firstly, I want to say that I'm sorry to hear of the circumstances that Mrs H says led to her having to take out her loan in the first place. Both parties have provided me with a lot of information, and I want to reassure them that I've reviewed everything, but I've only commented on what I feel are the key things for the complaint.

This means I need to decide exactly what Mrs H's complaint is, and what I can consider. And I think there are three separate complaints here:

- The alleged mis-sale of the original loan and guarantee in 2008.
- The incorrect change of address.
- The impact on Mrs H's loan due to not receiving her statements.

The mis-sale of the loan in 2008 and associated guarantor fee

Mrs H says that Barclays' mis-sold her the business loan with the guarantor requirement in 2008. She says that the bank only told her recently that it didn't intend to call upon the guarantee and always intended to seek payment from her, so it should never have charged a £3,000 fee for the loan. She also says she only recently became aware of the fee.

I don't think this is a complaint that we can consider. Our rules for considering complaints are set out in the Dispute Resolution ("DISP") section of the Financial Conduct Authority's handbook of rules and guidance. These rules say that we can't consider complaints more

than six years after the events complained about unless the business consented or because the complaint wasn't brought in time due to exceptional circumstances.

This means we can't consider Mrs H's complaint about the loan that was taken out in 2007, as this happened more than six years ago. The only way we could consider these complaint points would be if Barclays had consented to us considering this or if the delay in referring the matter to our service was due to exceptional circumstances. Barclays hasn't consented to us reviewing this, and Mrs H hasn't told us about any exceptional circumstances for why she didn't ask this service to look at this point sooner – meaning she's brought this point too late for us to consider.

I acknowledge that Mrs H says she only recently became aware that Barclays didn't intend to call on the guarantee and the fee that she'd paid for the loan as she hadn't received her statements. However, I've seen a copy of the agreement that Mrs H signed in 2007 which detailed the amount, fees, interest, and charges payable. I'm also satisfied that Mrs H would have known what she borrowed, and if she'd added any fees to the loan, I think she would have been aware of them at the time. Therefore, I don't think Mrs H has brought this complaint point in time.

The incorrect change of address

Mrs H is unhappy that her address wasn't updated correctly by Barclays which meant that her personal information was sent to a previous address. She says that this has caused her embarrassment and distress. I've looked at the evidence available and I understand Mrs H's concerns and frustration at being given conflicting information about both the date these changes took effect and who made them. However, I'm not persuaded this makes a difference as Barclays has already accepted that it made the error. And whilst I do understand Mrs H's position due to the issues she's experienced, it's not for me to punish Barclays for making a mistake.

I acknowledge Mrs H's concerns about this; however, it appears from the evidence I've seen any correspondence incorrectly received at her previous address was returned to the bank unopened either by post or by hand to the branch. So, I'm not persuaded this had a significant impact to Mrs H. Barclays has also told us that its now corrected Mrs H's address on its systems and I can see that the final response letter of 5 September 2022 shows Mrs H's new address, so I think it's likely that this has now been amended. So, taking into account all the circumstances, I think Barclays' apology and £400 compensation is enough to put things right for this part of Mrs H's complaint. However, Mrs H may also wish to contact the Information Commissioner's Office about her data protection complaint.

Financial impact due to not receiving statements

Mrs H says that because Barclays didn't update her address correctly, she didn't receive her annual loan statements. More importantly she didn't get any notifications of when the rates dropped, and her repayments should have been lower. I recognise that Mrs H says this caused her a financial burden and that she'd been disadvantaged. However, I'm not persuaded that's the case as Mrs H would always have had to make repayments to the loan and some element of interest would always have been due in line with the agreement that she signed. I also haven't seen any evidence that Mrs H contacted the bank from 2012 onwards to say that she needed help in reviewing her repayments. And whilst I have no reason to doubt that this was an extremely distressing time for Mrs H, I think it's likely that if she was struggling significantly that she would have contacted the bank to discuss her repayments at the time, as she told us she eventually did in 2017 when she also stopped making her loan repayments.

Mrs H also told us that she didn't change address until 2012, which means that she would have received at least annual loan statements between 2009 and 2011. So I think she ought reasonably to have realised that she hadn't received any correspondence about the loan after she'd moved. However, even if I accept that Mrs H hadn't received any correspondence about the loan, I don't think she's been financially disadvantaged. I say that because the overpayments that Mrs H made, were applied to her loan and therefore would have reduced the amount of interest that she paid. Furthermore, Mrs H says that she stopped making repayments to her loan in 2017 and it wasn't until April 2020 that these became due again. Which means that Mrs H also had the benefit of not making repayments during that time. So whilst I recognise Mrs H may not have chosen to make the overpayments that she did, I can't reasonably say that she was financially disadvantaged by doing so.

I can see that Mrs H was caused further distress and inconvenience by Barclays' actions when it didn't contact her in April 2020 to let her know that her overpayment balance had been used and she needed to start her repayments again. And again, when it then said that her loan had been defaulted in January 2022. Barclays has accepted that it should have written to Mrs H in April 2020 about the lack of repayments and didn't do so. It also accepted that it had given Mrs H incorrect information about the default being applied to her credit file.

However, I've seen that Barclays has apologised for this error and paid Mrs H £175 compensation for the inconvenience caused. It's also refunded the interest payable on Mrs H's loan between November 2017 and October 2021 so that she wasn't financially disadvantaged from not being able to make repayments if she'd been given the option. And it's also told Mrs H that there shouldn't be a default registered against her credit file, and if this does change to let it know so it can address this. So, I think the bank has done enough here to put things right.

I recognise that Mrs H feels strongly about this and that she'll be disappointed with my decision. I also acknowledge that Barclays' errors happened at what was already an extremely distressing period in Mrs H's life. However, taking all the circumstances of the complaint into account, I think Barclays has done enough to put things right.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 3 January 2024.

Jenny Lomax
Ombudsman