

## **The complaint**

Mrs L complains about the lack of communication and harassment by Barclays Bank UK PLC. Mrs L would like an apology and a call from a manager.

## **What happened**

Mrs L has a mortgage with Barclays Bank PLC that is in arrears. She has an arrangement to pay off these arrears over time. There have been interruptions to the arrangement, and it has then been re-set and started again. The background to this complaint is that Mrs L has been having financial difficulties for several years. I note that at the beginning of January 2022, Mrs L had been unemployed for then 15 months and had accumulated arrears. At that stage an arrangement plan was set up for Barclays with the idea that the arrears would be paid off over 48 months. A payment shortfall in March 2022 meant a letter being sent from the bank and then a phone call to look at a revised arrangement. That occurred again in July. Then in October when Mrs L said that she had paid money to the incorrect account. Then in January 2023 Mrs L got a broken arrangement letter because of a shortfall in December 2022. Instead of £239.96 being paid, Mrs L paid £227.12. Although Mrs L said she hadn't been updated, Barclays referred her to a letter informing her in on 22 November 2022 of a rate increase coming into effect in December.

Mrs L said that she tried to get through to Barclays on several occasions but couldn't. Barclays accepted its failure of service and paid compensation to Mrs L of £250. Mrs L then raised a further complaint about the difficulties she had setting up a payment plan over the phone on 24 February 2023. Mrs L says the agent had system issues and a call back was arranged which didn't happen and Mrs L got a notice threatening repossession. Barclays upheld the complaint for the inconvenience of the rearranged appointment but said that it had tried to contact Mrs L on two separate occasions. It offered Mrs L £100 for the inconvenience. Our investigator didn't recommend that this complaint should be upheld as in his view Barclays had made reasonable attempts to contact Mrs L to get the payment plan sorted. Mrs L disagreed and asked for a review.

## **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.

This is a file where Mrs L has been in substantial arrears on her contractual monthly payments ("CMP") for some time which began when she lost her job during the Coronavirus Pandemic. The file shows that from January 2022 when Mrs L got another job she has been in a payment arrangement with Barclays. There have been problems with the arrangement, and it has been re-set several times. Part of the background has been rising interest rates and as the arrangement is based on the CMP plus a certain figure this seems to have caused issues as the CMP went up. I see that at one stage Mrs L may not have been told that the CMP was going up and underpaid because of that but also I noted that in December Barclays says that it informed Mrs L it was going up but there was a shortfall in that month.

My general view of this complaint was that on the whole, Barclays was acting sympathetically towards Mrs L as witnessed by the fact that if the arrangement was broken it was subsequently renewed. On the other side Mrs L appears to be dealing with the arrears positively. Because there are arrears, it will involve Barclays closely monitoring the situation. One of the issues is to ensure that Mrs L is able to afford the extra payments given increased living costs and that's why there have been requests on several occasions for income and expenditure accounts. Also unfortunately, because there is a closer relationship between Barclays and Mrs L there are more chances for things to go wrong e.g., phone calls dropped and not returned etc. I understand that Mrs L finds these encounters uncomfortable but if I look at the overall picture, there has been good progress in reducing the arrears and although there have been breaches of the arrangement, it has generally been kept on track.

I don't propose to adjudicate on every incident between the parties and comment on every phone call missed or not. I believe it's fair and reasonable to take an overview of the relationship. As I say I believe that Barclays has fairly dealt with Mrs L in her financial difficulties and maintained the agreed payment arrangement. There is a question of pre-litigation letters which appear to issue when there have been interruptions to the arrangement. We would expect lenders to give borrowers adequate warning of what potentially might happen if the arrangement wasn't maintained, and these appear to be for that purpose.

This particular complaint relates to events at the end of February 2023 when Mrs L says an agent contacted her to discuss the income/expenditure position, but Mrs L says that the system wasn't working, that she didn't get a call back and that then she got a letter from Barclays threatening repossession. The background to this was that in early February it seems that Barclays was trying to have a conversation with Mrs L about her income/expenditure and for whatever reason this didn't occur and so as this was outstanding a letter was sent threatening repossession in the absence of an arrangement and inviting Mrs L to re-contact Barclays. Mrs L has received several similar such letters in the past which are intended I believe by showing what may happen if no contact is made to encourage contact with the lender. Mrs L had of course at this stage understood she was in contact with Barclays.

My view of this is that there are faults on both sides. The notes indicated that Barclays was trying to contact Mrs L at the start of February 2023 to have this conversation about the income/expenditure position and perhaps Mrs L should have done more to facilitate a conversation at a time suitable to her which would have avoided the issues at the end of the month. But equally Barclays should have been in a position to process Mrs L's income/expenditure information at the end of February when it got through to her and recognised that she was making contact which would have avoided the letter going out. In the circumstances Barclays apologised and offered compensation of £100. I note that Mrs L asked for an apology, and it has been given. I also believe that the compensation offered by Barclays is fair and don't require it to pay further compensation.

### **My final decision**

Barclays Bank UK PLC has already made an offer to pay £100 to settle this complaint and I think this offer is fair in all the circumstances.

So, my decision is that Barclays should pay Mrs L £100 unless it has already done so.

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

Gerard McManus  
**Ombudsman**