

## **The complaint**

Mr A complains about the information Barclays Bank UK PLC (Barclays) is reporting to credit reference agencies (CRAs) regarding two loan accounts.

## **What happened**

Mr A has two loan agreements with Barclays:

Loan 1 - £23,500. Monthly instalments of £503

Loan 2 - £3,000. Monthly instalments of £154

In April 2022, he contacted Barclays to say he was experiencing financial difficulty but he expected the situation to improve within a few months. Following an assessment of his financial circumstances, Barclays agreed to a three month payment holiday meaning interest was temporarily suspended, they cancelled the direct debits and put a hold on any demand letters. Mr A was told to contact Barclays again in a few months time so they could reconsider his situation. He was told if four payments were missed, default proceedings would likely commence.

In July 2022, Mr A contacted Barclays to discuss his situation as it had improved. He was told if he made the loan payments for the next three months, the arrears (subject to the payment holiday) would be added to the end of the loans. In August 2022, Mr A resumed making the payments. In September 2022, Barclays agreed to defer the arrears to the end of the loans, thereby extending the terms.

However around November 2022, Mr A complained Barclays had recorded adverse information on his credit file about these two loans period and it was impacting his ability to re-mortgage.

Barclays said they had reported correct information to the CRAs and Mr A was told about the impact of the payment holiday and the arrangement to pay plans during phone calls and in their written correspondence to him.

Unhappy with their response, Mr A referred the complaint to our service. The investigator recommended the complaint wasn't upheld. She concluded Barclays had treated Mr A reasonably and the information reported to the CRAs by Barclays was fair. Mr A disagreed and maintained his position.

As an agreement couldn't be reached, the complaint has been referred 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.

Having done so, I've decided not to uphold Mr A's complaint. I'll explain why.

When a consumer experiences financial difficulty, I expect the firm to treat them with forbearance and due consideration. Based on the evidence I've seen, I'm satisfied Barclays did that. They fully considered Mr A's financial circumstances including his incoming and outgoing expenses and after having done so, they agreed to a three month payment holiday. They also agreed to defer the arrears to the end of the loan without incurring any additional interest.

From my understanding, Mr A isn't complaining about that. Instead he's unhappy that as a result of the above and once he resumed paying the monthly instalments in August 2022, adverse information was recorded by Barclays to the CRAs. I consider that to be the key complaint issue so in this decision I will focus on that.

I must stress financial businesses like Barclays are required to report accurate and fair information to CRAs about how an individual is managing their account.

I've listened to the calls concerned with this complaint. I understand they were sent to Mr A but for some reason he was unable to listen to them but the reason is unknown. However I can reassure him that I've managed to and I can hear exactly what was said.

During the initial call in April 2022 when the payment holiday was agreed, I can hear Mr A was told that as he won't be paying the monthly instalments for the next few months this would affect his credit file. He was also told it may impact his ability to obtain credit in the future. The advisor confirmed as this would be an informal arrangement it wouldn't be recorded as an arrangement to pay on his credit file. So I don't agree with his comments that he was told the missed payments wouldn't be reported to the CRAs. Although I can hear Mr A said he understood this, I accept that perhaps he was confused about how the missed payments would report and whether an arrangement to pay would be recorded.

Following the call, Barclays confirmed the payment holiday arrangement in writing on both loans. I note Mr A's comments he didn't receive the same but I can see they were correctly addressed and there's insufficient evidence to say they weren't sent. On balance, I'm satisfied they were sent by Barclays to Mr A.

The letters say *"When you miss or make reduced payments with us, we'll let the Credit Reference Agencies know. This means that if you apply for credit elsewhere, you could be charged a higher interest rate - or even refused completely."*

I find this information to be consistent with what Mr A was told over the phone.

During July's call when discussing whether Mr A was in the position to re-start making payments, I can hear the advisor say *"We don't want it showing as missed payments to the*

*CRA any longer than it needs to be". So again, I find Mr A was told any missed payments would impact his credit file.*

In July 2022, Barclays sent correspondence to Mr A outlining their intentions to defer the three missed payments to the end of the loan (the arrears). The letter outlined what actions Mr A needed to take for this to happen including making sure the next three payments were met (referred to as step 1). It also said the following:

*We will continue to give information about your account to credit reference agencies. Until you complete step 1, this information will continue to show that your account is in arrears and that there is a temporary repayment arrangement in place (different credit reference agencies may show this arrangement differently). This may impact your ability to obtain future credit..."*

Based on the above, it was made clear until Mr A made all the payments for the next three months (step 1), it would report to the CRAs as an arrangement to pay. Which is what happened in this case, for a period of no more than three months Barclays recorded the accounts were in an arrangement to pay. After that period ended (step 1) and as Mr A continued to meet the monthly instalments, it was reported to the CRAs that payments were met on time and there were no arrears. Which would indicate the accounts were brought back up to date.

I've carefully considered the loan statements and Mr A's credit report. Having done so, I find the information reported by Barclays to the CRAs is fair. I say this because it shows missed payments for no longer than three months (to reflect the payment holiday). It also shows there was an arrangement to pay for no longer than a three month period (to reflect step 1 as outlined above) and thereafter, the account was back up to date.

In summary, I'm satisfied Barclays treated Mr A fairly during his time of financial difficulty and reasonably made him aware of the subsequent impact on his credit file and how it may affect his ability to get credit in the future. I find the information they recorded to the CRAs is a fair reflection of how the accounts were being managed at the time so I won't be asking Barclays to do anything to resolve this complaint.

I appreciate Mr A will be disappointed by the outcome. I recognise the difficult time he's been through and his added frustration about trying to re-mortgage in order to improve his financial situation but I hope he accepts these findings.

### **My final decision**

For the reasons set out above, I've decided not to uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 August 2023.

Simona Reese  
**Ombudsman**