

The complaint

Mr C complains that Barclays Bank UK PLC trading as Barclaycard has unfairly reported late payments and a default on the credit card account that he held with it to the credit reference agencies.

What happened

Mr C held a credit card with Barclaycard and would make monthly payments towards the balance using the mobile app. In January 2022 Mr C says he experienced a problem with the app, and it wouldn't process his payment. A short time later he was contacted by Barclaycard about his late payment and made the payment directly to it over the phone.

In June 2022 Mr C says that he experienced the same problem with the mobile app and again wasn't able to make a payment. He says the problem with the app persisted and he also tried to contact Barclaycard a number of times via the phone but wasn't able to get through.

Mr C says in December 2022 he was shocked to discover that the account had been closed by Barclaycard and that a default had been recorded. He also learned that his account had been passed to a third-party company to manage. Mr C made a complaint to Barclaycard about its handling of his account, the faulty mobile app and its lack of contact with him. He said it was unfair that Barclaycard had reported adverse information to the credit reference agencies when he had tried to pay via the app, but it hadn't allowed him to do so.

Barclaycard closed Mr C's complaint in error and re-opened it in July 2023 when Mr C made contact. It apologised to Mr C for closing the complaint and offered him £50 compensation for doing so. However, Barclaycard said that it wouldn't remove any adverse information it had reported about his management of the account as it was responsible for ensuring accurate information was provided to the credit reference agencies. It said it had sent Mr C letters as well as the default notice and that he had been advised as to a number of ways he could make payment as well as the consequences of missing payments.

Mr C was unhappy at Barclaycard's response and complained to this service. He said he had been treated rudely by Barclaycard who had ignored what he had said about the mobile app not functioning correctly. He said he had tried to contact Barclaycard by phone, but the queues were too long, and he couldn't make contact. He said there had been no contact from Barclaycard and if it had contacted him, he would have been able to make the necessary payments. He said the adverse information on his credit file for this account was unfair and he wanted it removed. Mr C said he accepted he owed the outstanding balance and wasn't seeking compensation from Barclaycard.

Our investigator didn't recommend Mr C's complaint should be upheld. She said she accepted Mr C had experienced difficulties paying via the mobile app, but she would have expected him to mitigate his situation by using one of the other available methods to make a payment to his account. Our investigator said she didn't think it had been reasonable for Mr C to rely solely on the mobile app to make his payments.

Our investigator also said she hadn't seen anything that suggested Barclaycard's service to Mr C had been poor. It had sent him letters, the default notice and written when the default had been applied. She said it had provided him with information about how to pay and the impact of missing payments could have on his credit file.

Our investigator said that she considered the £50 compensation from Barclaycard for closing Mr C's complaint in error was fair in the circumstances. She said she wouldn't be asking it to do more.

Mr C disagreed with our investigator's view. He said the impact of a default on his credit file left him in a vulnerable situation in relation to credit applications. He said the service from Barclaycard had been appalling and it had been rude to him when he had first complained. Mr C said he felt he hadn't done anything wrong, and the issue had been the mobile app not working for a substantial period of time.

As the parties were unable to reach an agreement the complaint has been passed to me.

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 isn't disputed that Mr C missed a number of payments on his credit card account from June 2022. Mr C says this was due to the mobile app not operating correctly as it wouldn't allow him to make any payments towards the outstanding balance. I don't know what caused the problem for him and I've seen that Barclaycard says there wasn't a general problem noted with its mobile app in this period. I've also seen that following the missed payments in June and July 2022, Mr C's account would have been suspended which would have limited his ability to use some of the app's facilities. So, on the evidence I've seen, I don't think I can reasonably say the mobile app was faulty per se, but I accept that Mr C had experienced issues with the mobile app in respect of making payments from June 2022 onwards.

The issue for me to decide is therefore whether Barclaycard handled Mr C's account fairly when he built up arrears.

I've seen that when Mr C first missed a payment in January 2022 due to the mobile app not accepting his payment. On that occasion Barclaycard called him and he was able to make a payment over the phone. However, Barclaycard didn't call him when he missed his payment in June 2022 though it did send him monthly letters from July 2022 alerting him that his payments were missing. He was also sent monthly statements which again would have shown payments were not being made. And both the letters and the statements give a warning about the impact missing payments may have on a credit file. They also set out four ways payments can be made which are paying via your own bank's online service, using the mobile app, paying in a branch of the bank and paying via Barclaycard's dedicated phonenumber.

Mr C says Barclaycard lied to him about having called him July 2022 as he had no record of having received any such calls. However, I noted that during his complaint phone call to Barclaycard in December 2022, Mr C informed the agent that the account had his old phone number registered so I don't know if that might be why he hadn't received them. But, if that wasn't the cause and there was some other reason for calls from Barclaycard not connecting to Mr C, I think Barclaycard had still provided him with sufficient contact about the status of his account when looking at the number of letters and statements sent to him.

I also think it's fair to say Mr C would have been aware he hadn't been making a number of

monthly payments towards his balance as required by the credit card's terms and conditions. And that his failure to pay would be likely to have consequences with Barclaycard taking some form of action.

Mr C says he didn't have contact with Barclaycard, but I've seen he was sent three letters to say his account was in arrears from July to September 2022; a default notice was sent in October 2022 and a further letter was sent in November 2022 that the account had been closed and a default registered. I think the last letter was the only letter Mr C says he received. I don't know why he didn't receive all the other correspondence as they appear to have been all correctly addressed. I've seen that Mr C may have postal difficulties at his address, but that isn't something I would expect Barclaycard to have been aware of. I can't reasonably say Barclaycard hadn't made efforts to contact him. As letters were sent, I wouldn't expect Barclaycard to have also sent Mr C emails.

I appreciate Mr C feels he did nothing wrong because of the issues he experienced with paying via the mobile app, but it was his responsibility to make sure his payments were made when required. I've seen that the mobile app wasn't the only method of payment he could make, and I agree with our investigator that it was reasonable to expect Mr C to have mitigated his position. While I appreciate that calling Barclaycard would have involved long queues, there were other options open for Mr C to make payments and I can't see that he tried those.

I have listened to Mr C's phone call to Barclaycard when he made his complaint about the default being registered on the account. The agents he spoke to were sympathetic but unable to remove the default which understandably caused Mr C frustration. I didn't hear anyone say anything that was rude or inappropriate to Mr C and he was advised to call the third-party company about making payments. I think the situation was explained to Mr C clearly.

Barclaycard has accepted it shouldn't have closed Mr C's complaint in December 2022 without speaking with him first and it did later reopen it. Barclaycard has offered Mr C £50 compensation for its handling of his complaint, and I think that's fair. I don't think that if Barclaycard had left Mr C's complaint open that there would have been a different outcome to the issue about the default and the mobile app. Mr C had missed a number of payments and under the terms and conditions of the credit card Barclaycard was entitled to issue a default and close the account.

So, although I appreciate this will be of disappointment to Mr C, I'm not going to uphold his complaint. I think Barclaycard had made reasonable efforts to contact him about his account and he was aware that he wasn't making payments as required. Despite the app not functioning in respect of payments, I think Mr C should have done more to make his payments and there were other options open to him. I'm afraid I don't think his actions were reasonable in the circumstances.

As I don't think Barclaycard acted unfairly in defaulting Mr C's account, I also don't think it acted unfairly when it reported the adverse information about Mr C's credit card account to the credit reference agencies. Barclaycard is obliged to report correct information as to how a consumer manages a credit agreement. I'm not going to ask it to remove that information about Mr C's account.

My final decision

For the reasons set out above, I'm not upholding Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or

reject my decision before 6 March 2024.

Jocelyn Griffith
Ombudsman