

The complaint

Mr N says Barclays Bank UK PLC (Barclays) were unreasonable to default his account and report the default to his credit file. He also says that they didn't properly consider whether a payment plan was affordable for him, that he received poor service, and that Barclays failed to provide him with information he was entitled to receive.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my reasons for my decision.

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.

I know it will disappoint Mr N, but I agree with our investigator's opinion. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

The Information Commissioner's Office (ICO) says when a consumer is at least three months behind with their payments then a default may be registered. By the time his account was defaulted Mr N was about four months in arrears so, I don't think Barclays were wrong to default the account when they did. While Barclays wrote to Mr N the month before the account was defaulted to explain they hadn't allocated a payment properly, I don't think that impacted on the account performance and I think Barclays were still reasonable when subsequently defaulting it.

The default notice, and the default, were addressed to Mr N at the same address we have on file for him and the one I can see Barclays sent correspondence to previously. I'm persuaded Barclays did enough to ensure Mr N received those notices and I think, even if he didn't, Mr N would have been likely to have been aware of his account performance and the need for payment.

Taking all of that into account, I don't think Barclays were wrong to default Mr N's account and report that default to his credit file.

Barclays paid Mr N £50 compensation in respect of the poor service they accepted he had received from them. Having considered those issues I think that was a reasonable level of compensation.

I've listened to the call in which a payment plan was arranged for Mr N. I think the agent did consider the affordability of the agreement. She asked about changes in income and expenditure in some detail and, on the basis of the information given by Mr N, I don't think I have evidence that the business were wrong to approve the plan.

Mr N also asked the business to provide a copy of the executed agreement as he said it was his right under section 78 of the Consumer Credit Act (1974). Section 78 (1) says

"The creditor under a regulated agreement for running account credit, within the prescribed period after receiving a request in writing to that effect from the debtor and payment of a fee of £1 shall give the debtor a copy of the executed agreement (if any) and of any other document referred to in it."

Barclays didn't provide the information Mr N required as they said this was an agreement under which *"no sum is, or will or may become, payable by the debtor"*, they said such an agreement was not covered by section 78 (1). But Mr N's credit card is an example of running account credit and a sum was payable by Mr N. So, I don't think that was a reasonable explanation. Barclays have since explained to me that they didn't have to provide the information as the agreement had, by then, been paid in full. That is an exception they are entitled to rely on. So, I don't think they were unreasonable to reject Mr N's section 78 request. But, even if I'm wrong about that, I don't think that has had a detrimental effect on Mr N. He hasn't disputed he has an agreement with Barclays, they made him aware of the debt he owed, and they sent statements to him each month. Ultimately, I am not asking Barclays to take any further action here.

My final decision

For the reasons I've given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 5 March 2024.

Phillip McMahon
Ombudsman