

The complaint

Mrs F complained that Barclays Bank UK PLC (trading as Barclaycard) held her responsible for a debt linked to a credit card she said she didn't apply for. She wants compensation for the distress this has caused her.

What happened

Both sides are familiar with the case, so I'll summarise things in brief.

Mrs F says she's held an account with Barclays since 2013. In 2014 she moved abroad.

In April 2014 a Barclaycard was applied for in Mrs F's name. The account fell into arrears in 2018 and Barclaycard transferred the account to a debt collection agency (who I'll refer to as 'L').

Mrs F returned to the UK in 2019 when she says she was contacted by 'L' in relation to the debt.

Over the next four years Mrs F says she disputed the debt with 'L' who, in February 2024, maintained she was liable for it.

Mrs F then referred a complaint to the Financial Ombudsman about the actions of both Barclaycard and 'L'. She maintained that she hadn't applied for the Barclaycard and wasn't responsible for the debt. She wanted compensation to reflect the distress and inconvenience caused to her in pursuing this matter for four years.

The Financial Ombudsman contacted Barclaycard on Mrs F's behalf; and it wrote to her on 7 May 2024 requesting more information to fully investigate the matter. Mrs F provided Barclaycard with the information it requested – primarily evidence to support that she was living abroad at the time the Barclaycard was applied for. Barclaycard also suggested to Mrs F that she should contact 'L' directly if she had concerns about the way it had dealt with her.

Barclaycard wrote to Mrs F on 22 May 2024 to say it had reviewed the case and was now satisfied she had been the victim of fraud. It said it would remove the debt and make the necessary amendments to Mrs F's credit file. And that it had reported the matter to CIFAS to alert other lenders to the fact Mrs F had been the victim of identity theft.

One of our Investigators considered Mrs F's complaint and didn't uphold it. In short, she explained why she thought Barclaycard had taken the action she'd expect it to take given it now had evidence to show Mrs F had been the victim of identity theft. But she didn't agree that Barclaycard should award Mrs F compensation. Our Investigator also advised Mrs F that we could consider a complaint about 'L', but not until she'd first complained to 'L'.

Mrs F didn't agree and so the case has been passed to me to decide. She said she'd explained to Barclaycard and 'L' on numerous occasions that she hadn't applied for the Barclaycard – and yet they'd not believed her.

Mrs F said Barclaycard should be held accountable for allowing the fraud to take place. She said the matter had been ongoing for over four years and that the whole situation had been very stressful. Because of that, Mrs F maintained that Barclaycard should pay her compensation.

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 reached the same outcome as our Investigator – and for largely the same reasons. I realise this will be very disappointing for Mrs F and I'd like to assure her I haven't taken this decision lightly.

In doing so, I've very carefully considered all the evidence provided. And I'd like to assure Mrs F that if I don't mention a particular point, it's not because I haven't considered it, but I've focussed instead on what I believe to be important to the outcome of this complaint.

I should also point out that my focus here is on the actions of Barclaycard, not 'L', and whether Barclaycard needs to do more than it has already done to put things right for Mrs F. As our Investigator has explained to Mrs F, she can raise a separate complaint about 'L' through the Financial Ombudsman once she has raised a complaint directly with 'L'.

I can also see that Mrs F has referred to Barclays '*closing her account*' with no reason. I can't see this has been raised with or considered by Barclays as part of this complaint. As such, this would be a new complaint that she would need to make to Barclays in the first instance - before referring it to the Financial Ombudsman.

Turning now to the fraudulent Barclaycard - I fully appreciate Mrs F's strength of feeling – and I don't underestimate the impact that this has had on her. She had the worry that she was being held responsible for a debt that wasn't hers; and was frustrated that her explanations as to how the situation had come about weren't seemingly being listened to. But as I'll go on to explain, I don't think Barclaycard has acted unreasonably here.

Barclaycard has now accepted Mrs F didn't apply for the credit card. It has cancelled the debt; and has confirmed her credit report will be amended accordingly. Barclaycard has also recorded the matter with CIFAs to protect Mrs F from future fraud.

Barclaycard has taken the action I'd expect it to take here in relation to the direct impact of the fraudulent credit card. So, my review has focused on whether Barclaycard needs to do anything more – namely pay Mrs F compensation – to fully rectify this complaint.

When considering what a business should do to put things right, it's not my role to punish it – instead I look at the direct impact its shortcomings have had on a customer.

As I understand things, this situation came about because a third party using Mrs F's identity applied for, and subsequently defaulted on, a Barclaycard applied for in April 2014. Because the debt wasn't settled, Barclaycard sold it to 'L' in September 2018.

Firstly, it's standard practice for a debt to be sold to a debt recovery agency (in this case 'L') when it falls into severe arrears. And so, I can't say Barclaycard did anything wrong here.

I've not looked into the actions of 'L', but from Mrs F's account, she spent a considerable amount of time and effort over a period of four years disputing the debt with 'L'. When things

were't resolved with 'L' to her satisfaction, Mrs F referred a complaint about Barclaycard to the Financial Ombudsman in April this year.

The Financial Ombudsman then contacted Barclaycard about Mrs F's complaint and it requested information from her to investigate matters. I can appreciate how Mrs F found this frustrating given she says she'd already provided this information to 'L'. But Barclaycard is separate to 'L' – and so I don't think it was unreasonable for it to ask Mrs F for the information it did.

On receipt of that information – including evidence Mrs F was living abroad at the time the Barclaycard was applied for – Barclaycard promptly investigated and accepted Mrs F wasn't responsible for the account. It then took the necessary steps to rectify matters. I can't say that Barclaycard did anything wrong here.

Mrs F has also suggested that Barclaycard should be held accountable for allowing the fraud to take place. I can understand the point Mrs F is making – but whilst businesses have measures in place to prevent fraud – they can't prevent all incidents of fraud, especially as fraudsters techniques are constantly evolving to avoid detection. It is ultimately the fraudsters, not Barclaycard who are to blame for the unfortunate situation Mrs F found herself in.

Taking all this into account, whilst I don't in any way underestimate the impact the identity fraud has had on Mrs F and her family, I think Barclaycard has done enough to put things right. And so, I won't be asking it to take any further action.

My final decision

My final decision is that this complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision **before 6 August 2024**.

Anna Jackson
Ombudsman