

The complaint

Mr W complains that Barclays Bank UK PLC recorded incorrect information on his credit file.

What happened

Mr W says that he entered an Individual Voluntary Arrangement (IVA) on 1 June 2018, but that Barclays recorded negative information on his credit file after that date.

Barclays says it was made aware of the IVA around 21 June 2018, but that it issued its default notice on 26 June 2018. As a result, it says, the default was recorded on Mr W's credit file on 24 July 2018 and was due to be removed in July 2024. It adds that the default was marked as partially satisfied in 2020 and it did not find that any errors had been made.

Our investigator recommended the complaint should be upheld. She concluded that the default should have been backdated to 1 June 2018 and that Mr W should receive compensation of £50 for the inconvenience this has caused.

Barclays accepted the investigator's view.

Mr W responded to say, in summary, that he disagrees with the compensation as he has spent a lot of time on this issue and has been greatly inconvenienced.

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 can see from Barclays' contact notes that it was made aware of the upcoming IVA on 29 May 2018 and was told, on 21 June 2018, that the IVA had been accepted on 1 June 2018. I acknowledge Barclays then sent a default notice to Mr W on 26 June 2018, but its own internal policy says, "the default will date from the date of bankruptcy". Indeed, the insolvency practitioner has confirmed that no defaults should be registered post-IVA. As such, I find that Barclays should backdate the date of the default to 1 June 2018.

Finally, I have considered the effect this has had on Mr W. I have listened to his call following the investigator's recommendations and I understand the frustration this has caused to him. Mr W explained that it wasn't just the timing difference of the default appearing on the credit file, but the time it has taken him to rectify the error and the stress this has caused. Mr W added that he also wasn't happy with the way Barclays spoke to him when he tried to tell them they had made a mistake.

I accept Mr W has spent some time on this complaint, but I also need to think about whether there were any other consequences as a result of registering the default almost two months later than the IVA date. I acknowledge that six years have now passed since the IVA and, therefore, the associated negative information should have dropped off Mr W's credit file in June 2024, rather than later in July. However, I haven't seen any evidence that Mr W has been affected financially by the delay.

As such, although I acknowledge Mr W has been inconvenienced, I find £50 is fair compensation in all the circumstances.

My final decision

My decision is that I uphold this complaint. Barclays Bank UK PLC should backdate the default to 1 June 2018 and pay Mr W £50 compensation as it has agreed to do. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 1 October 2024.

Amanda Williams
Ombudsman