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Mr Andrew Tyrie MP  
House of Commons  
London  
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06 August 2014

Dear Andrew,

Thank you for your letter dated 8 July 2014 regarding in-house legal letters. We have reviewed our files going back ten years and have found no instances of Barclays having sent such letters.

However, I wanted to offer a fuller answer to your question, and share some recent changes which may be relevant to your Committee's understanding of how the industry has managed the need to effectively support customers in financial difficulty.

Whilst your letter refers to the specific practice of sending letters to customers which purported to be from independent solicitor firms when they were in fact from in-house lawyers, we have also looked to see whether similar approaches were taken in other areas. In this regard, Barclays has, more recently, used alternative names for its in-house UK debt collections and recoveries activity, although this practice has now stopped.

The purpose of these debt collection brands was of course to encourage customers who have fallen into arrears to re-establish contact. In many instances, when a customer has begun to fall significantly behind with payments, for example after missing three or four payments, they turn away from the debt provider and disengage. This exacerbates their financial difficulties and our objective is to make contact with the customer as soon as possible.

The goal therefore was explicitly to address a major behavioural barrier to these customers discussing their financial situation with us and reaching a solution, whether a repayment plan or to direct them to, for instance, independent sources of financial advice where their problems were particularly severe.

We found that using a separate debt collection brand was an effective way of achieving this goal. Our belief is that this is driven by a number of factors, including indicating an escalation

in the seriousness of the situation, and therefore encouraging the customer to re-engage. For others, it may be as simple as they feel unable to face correspondence with Barclays, but will read and respond to a letter from a different sender. We will have disclosed the relationship with Barclays in our communication with the customer, for example in the letter's footer.

We decided several months ago to change this practice – a change that was completed last month - and communicate with our customers using only the Barclays or Barclaycard names. This decision reflected a desire to set an even higher standard of transparency. We believe that we are now able to meet the objectives of these letters in other ways, by using new techniques such as SMS messages.

I recognise that this letter covers ground that you did not ask me to, but I wanted to reply comprehensively. You may as a result have further questions which I or my team would be happy to answer.

Yours sincerely,

A handwritten signature in black ink that reads "Anthony Jenkins". The signature is written in a cursive style with a large, prominent initial 'A'.