

The complaint

Mr M complains of irresponsible lending by Barclays Bank UK PLC (Barclays). He would like his outstanding balance written off, a refund of all interest payments and charges from October 2014 and compensation with 8% statutory interest added.

What happened

The details of this complaint are well known to both parties so I won't repeat them again here instead I will focus on giving the 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.

Having done so I agree with the conclusions reached by our investigator for the following reasons: -

- Before offering credit increases a business needs to ensure it does so in a responsible manner. There isn't a set requirement of what a business must do. But they are expected to carry out appropriate and proportionate borrower focused checks around the affordability of any increases.
- I appreciate for Mr M it's frustrating that Barclays, for commercial reasons, hasn't given us permission to share its reasons for applying the credit increases for. But, based on the information I've seen I didn't feel the increases were inappropriate.
- Mr M has asked us if two debts he had with another bank were considered. Barclays sought credit information which typically covers current and historic lending, debts and account history. So, if that information was available to the credit reference agency it used, I would have expected it to have shown up
- Looking at Mr M's account statements he made at least the minimum payment required until April 2016(after the last increases was applied), on several occasions, making significant lump sum payments. I don't think at the time of the increases the account history would have been a reason for Barclays not to offer credit increases.
- However, from Mr M's statements it seems he didn't fully use the credit increase applied in August 2015 from £9,500 to £11,000 as his balance remained below £10,000. And didn't use at all the increase in 2016 to £12,500 as his balance still remained below £10,000. So, I can't see that the credit increases unduly affected him at the time they were given.
- We do expect businesses to respond positively and sympathetically when consumers are in financial difficulty but that doesn't automatically mean writing off balances and refunding all interest and charges. I can't see any reference to Mr M raising financial problems with Barclays until April 2016. At this time Barclays offered an income and expenditure assessment, it gave details of external agencies that could offer support and put his account on hold 30 days suspending interest and charges during this time. It also refunded charges and interest incurred from June to November 2016

totalling just over £1,000

- I don't feel that Barclays were irresponsible in offering and applying the credit increases that it did particularly as Mr M didn't take any significant advantage of them. So, I don't think I can reasonably ask Barclays to write off Mr M's outstanding balance and refund all his interest and charges with interest as he would like.

My final decision

My final decision is that I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 July 2021.

Bridget Makins
Ombudsman