

## **The complaint**

Miss E says Barclays Bank UK PLC trading as Barclaycard irresponsibly lent to her.

## **What happened**

Miss E's complaint is about a credit card account provided by Barclays. The account was opened in September 2021. Miss E was given an initial credit limit of £800.

Miss E complains that Barclays irresponsibly lent to her.

Our adjudicator didn't uphold the complaint. She said she didn't think Barclays had lent irresponsibly, because it had carried out reasonable and proportionate checks which didn't show any signs that Miss E was likely to find the lending unsustainable or unaffordable.

Miss E disagreed with the adjudicator, so the complaint has been passed to me for a 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.

The general approach to complaints about unaffordable and irresponsible lending, including the key relevant rules, guidance and good industry practice, are set out on this service's website.

Barclays needed to take reasonable steps to ensure that it didn't lend irresponsibly. In practice, this means that it should have carried out proportionate checks to make sure that Miss E could afford to repay what she was being lent in a sustainable manner. These checks could take into account a number of different things, such as how much was being lent, the repayment amount and the consumers income and expenditure.

Less detailed affordability checks can be reasonable and proportionate where a consumer's financial situation is stable, and where borrowing is insignificant given the consumers overall financial circumstances.

I can see that Barclays obtained information about Miss E's income and expenditure and her credit commitments. Miss E declared annual income of £55,000 on her application form. Barclays converted this to a net monthly income figure and had this validated via a third party, which produced net monthly income of £4,236.00.

Barclays also carried out checks on Miss E's expenditure and existing consumer credit borrowing. This produced a monthly expenditure figure of £1673.00 which left monthly disposable income of £2005.00.

Taking into account the amount of credit being offered to Miss E (£800), I'm satisfied that the checks carried out by Barclays were reasonable and proportionate.

I've gone on to consider whether Miss E could sustainably repay the lending, based on the outcome of the checks.

Barclays checks showed that Miss E had existing consumer credit borrowing of £765.00. This is low, in the context of Miss E's overall financial situation, and there was nothing to suggest that the existing borrowing wasn't being repaid sustainably. Miss E did have an existing county court judgment, but this was over 3 years old. This of itself isn't an indicator that Miss E wasn't likely to be able to sustainably repay the lending.

Taking all of the information into account, I don't think that the checks carried out by Barclays showed anything which might suggest that Miss E wouldn't be able to sustainably repay the loan.

Miss E has said that she was struggling to pay her priority bills at the time she applied for the credit card with Barclays. She's provided some utility bills to support this, but these don't relate to the time when the application for the credit card was made. There's nothing to suggest that Barclays ought reasonably to have been aware of the situation with Miss E's bills. I can see that Miss E missed some payments on her bills but there was no indication on her credit file that there was an issue. So, there was no reason for Barclays to carry out further checks.

Based on what I've seen, I think the checks carried out by Barclays were reasonable and proportionate. I haven't seen anything to suggest that the lending wasn't affordable for Miss E or that Barclays should have carried out further checks.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 2 November 2022.

Emma Davy  
**Ombudsman**