

## **The complaint**

Miss J's complained that Barclays Bank UK PLC acted irresponsibly when they lent to her and failed to take account of her gambling addiction.

## **What happened**

Miss J first applied for a loan from Barclays in March 2012. She subsequently took further loans from them in July 2014, March 2015, February 2016, April 2017 and September 2017. Barclays' records show Miss J repaid the first and last of these from her own resources. The other four loans were repaid with the new borrowing.

In October 2021, Miss J complained to Barclays that they'd lent to her irresponsibly. She said that she was constantly gambling at the time, as well as borrowing on her credit cards and from family.

Barclays investigated Miss J's complaint but didn't uphold it. They said the loans taken in 2012, 2014 and 2015 were taken out too long ago to be reviewed. In respect of the later loans, Barclays said they'd reviewed Miss J's bank statements from the period and noted some low value gambling transactions which weren't a concern. And they said that checks would have been carried out at the time the loans were taken.

Miss J wasn't satisfied with Barclays' response and asked our service to investigate. Our investigator did this and concluded Barclays didn't need to do any more than they'd already done to resolve the complaint. She said lenders have to carry out reasonable and proportionate affordability checks to satisfy themselves the borrower would be able to sustain repayments over the life of the loan.

The investigator said Barclays had done this on each occasion being considered and, in each case, Miss J had been left with at least 30% of her monthly income, after she'd made the loan repayment and paid other essential outgoings. She thought this was reasonable.

In response to Miss J's comments on her view, the investigator also made enquiries of Miss J's credit card provider, which established she'd not had a card at the time the loans were taken out. And she confirmed that she'd noted from Miss J's bank statements that she appeared to manage her account well, only occasionally using her overdraft facility and gambling periodically in small amounts.

Miss J didn't agree with our investigator's view. So I've been asked to make 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.

Having done that, I'm not upholding Miss J's complaint. I'll explain why.

Firstly, I agree that I should only be looking at the last three loans. Businesses only have to investigate complaints that have arisen in the previous six years – or, within three years of a

customer becoming aware of an issue. Miss J has told us she's had a gambling problem for many years. So I'm satisfied she was aware of the issue at the time she borrowed from Barclays.

I'm sorry Miss J's struggled with gambling. But, while she's not alone in that, gambling is a legitimate leisure activity for many people. So I can't say, based on that fact alone, that Barclays' lending to her was unfair.

Rather, as our investigator explained, I'd expect Barclays to do checks to see that Miss J could make the repayments of the loans she applied for. I'm satisfied from what I've seen that they did this. They obtained details of her income and essential outgoings, including the loan commitment. This showed that Miss J had at least 30% of her income remaining for other items. I think that was fair.

Miss J has suggested the checks undertaken were insufficient. I've thought about this. There isn't a set list of checks which all lenders have to carry out in every case. But, because checks should be proportionate, I'd expect more checks to be made if Barclays' initial checks. Or if they had other information which could inform their lending decision as a result of Miss J having other accounts with them.

Miss J has said her bank statements show she was gambling. I've looked at the bank statements received during the investigation. In the months before the loan of February 2016, I can see only payments, made approximately monthly, made to a lottery site. They're all for £10 each. These continue between then and the next loan of April 2017. There are also four bets placed of around £20 each.

The number of bets increased between April and September 2017 when the next loan was taken out, as did the value of the bets placed. But they were still for no more than £50. But Miss J's account was consistently in credit throughout this period, often by several hundred pounds. So – even if Barclays had interrogated her bank account more than they did, I don't think they would have reached a different decision about lending to her.

Nor do I think Barclays would have reached a different decision had they looked at credit card information. Miss J has said that she'd spent on credit cards she had with Barclays. But Barclays confirmed to our investigator she had no open cards at the time she took the loans. So, again, I'm satisfied Barclays would have made the same decision even if those additional checks had made.

Barclays also have a duty to deal sympathetically and supportively with customers who tell them they're in financial difficulties. But I can't see Miss J made them aware of her problems during the life of the loan – only when she made a complaint. And, as I've said above, I don't think the usage of her bank account or credit card would have alerted them to the issue. So I don't think they need to any more to resolve her complaint.

### **My final decision**

For the reasons I've explained, I'm not upholding Miss J's complaint about Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 13 October 2022.

Helen Stacey  
**Ombudsman**