

## **The complaint**

Mr P complains that Barclays Bank UK PLC (Barclays) would not consider a consolidation loan for him.

## **What happened**

Mr P borrowed £2,800 from Barclays on a personal loan in February 2019. There were to be 24 payments of £133.76. Mr P made three payments to the loan in February 2019, March 2019, and April 2019. The payment for May 2019 was reversed, and so wasn't made. No further payments were made. In June 2019, Mr P contacted Barclays to say he had lost his job and he had applied for income support. A 30-day hold was put on his loan, with zero interest. In July 2019, a further 30-day hold was applied and the account was transferred to Barclays' collections department. On 30 October 2019, Barclays issued a default notice with the arrears at £802.56 – to be paid within 30 days. No payments were made. On 27 November 2019, the loan was defaulted and its management was passed to a debt collection agency (DCA). The balance was then £2,623.49. Mr P also had a current account with Barclays and it was terminated in November 2020 with the balance £614.50.

Mr P complained. He said he had written to Barclays in October 2019 and at other times - to ask for a consolidation loan, but they'd ignored his letters. If they'd been dealt with and a consolidation loan agreed, the default and the involvement of a DCA wouldn't have happened.

Barclays, in their final responses said they had no record of any letters sent to them in October 2019. They agreed Mr P had written to them in January 2020, but by that time the loan had been placed with a DCA – prior to that letter. And after that had happened, they couldn't consider the consolidation of Mr P's debts.

Mr P brought his complaint to us. Our investigator felt that Barclays acted reasonably. She said Barclays had applied their processes fairly and reasonably in not offering Mr P a consolidation loan. She said there was also a Barclaycard debt. But this was not considered as part of the complaint we looked at – as there wasn't any record of that debt being part of Mr P's complaint.

Mr P didn't agree and asked that an ombudsman look at his complaint.

## **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.

Mr P says he wrote to Barclays to ask for a consolidation loan and if that had been agreed, the loan and (later) current account defaults wouldn't have happened. I see that Mr P hasn't provided any dates or copies of any letters written to Barclays – other than stating that he did write in October 2019 and at other times.

It's important here to consider what Barclays' processes were for consolidation loans. They told us – and showed evidence - that such loans (called 'Resolve' loans) can only be considered and agreed by their collections team – who were managing debts of customers in difficulty. And furthermore, once a debt had been defaulted and passed to a DCA to manage, such a loan cannot be provided. That's Barclays' process, and we can't challenge that – as that's not our role.

I can see Mr P's loan went into Barclays' collections department on 22 July 2019. And the default took place on 27 November 2019. So – for a consolidation loan to be considered by Barclays, it would've had to have been so between those two dates, because that was their process.

Mr P says he wrote to Barclays in October 2019. Barclays have no record of such a letter. I have looked at Barclays' customer notes (which record all contacts with customers) and there's no reference to a letter. I can see there were calls to or from Mr P on 2 July 2019; 15 July 2019; 16 July 2019; 22 July 2019; and 15 August 2019. If a letter had been received, we would normally expect to see that in the notes which would also record its contents. But none of the notes mention a letter from Mr P.

I've gone on to consider that if such a request had been made – would Barclays have agreed a consolidation loan. In the call on 2 July 2019, I can see Mr P didn't want to complete an income & expenditure schedule. And so – it's unlikely that Barclays had sufficient information about his circumstances (income, expenses, debts, etc). And they would've needed that to see if they could agree to the loan. That's normal practice and a reasonable thing to do. I can't see that Mr P provided these details at that time, or up until the default in November 2019. So even if Barclays had received a request for a consolidation loan, it's not clear if it would've been agreed on the basis of the information that Barclays had.

I can also see that Barclays wrote to Mr P on several occasions to ask him to get in touch to discuss his circumstances – on 13 July 2019; 23 July 2019; 21 August 2019; 30 October 2019 (the default notice); 18 November 2019 (an arrears notice). But unfortunately, I can't see that Mr P did get in touch with Barclays to discuss things or make any proposals for how he might make payments to his loan. It would've been especially helpful if he had done so following the end of the two 30 day holds which were agreed in June 2019 and July 2019. Unfortunately, the nature of the calls he made to Barclays appeared to involve complaints about charges and that the calls he was getting.

I can see from Mr P's correspondence with us that he feels strongly about his complaint. And he will therefore be disappointed by my decision, but having reviewed his complaint - I'm not going to ask Barclays to do anything here.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 16 November 2022.

Martin Lord  
**Ombudsman**