

The complaint

Miss A has complained that Clydesdale Financial Services Limited trading as Barclays Partner Finance (BPF) is holding her liable for three fixed sum loan agreements.

What happened

The circumstances of the complaint are well known so I'm not going to go over everything again in detail. But, in summary, Miss A entered into three fixed sum loan agreements with BPF in April 2023 to pay for three phones that cost around £1,000 each. The agreements were to be paid back over two years. The three repayments totalled around £140 a month. Miss A says she was coerced into taking out the agreements. She said she was the victim of various scams, and she was misled into entering into credit agreements for the three phones in order to pay off a debt with another financial service provider, which she'd taken out as part of the scam.

Miss A said someone involved in the scam took the phones from her shortly after she'd bought them. She complained to BPF saying she'd been the victim of a scam. BPF sent an initial response in May 2023 saying it couldn't conclude the applications were fraudulent. It issued a final response letter to the complaint in August 2023, but it didn't uphold it due to the lack of evidence.

Unhappy with the response, Miss A referred the complaint to our service. Our investigator looked into things but didn't think there was sufficient evidence to determine BPF had done something wrong. She said BPF carried out checks before granting the agreements. She said she didn't think BPF ought to have known Miss A was the victim of a scam. There was insufficient evidence of anything that would point towards a scam during the sales process. So she didn't make any recommendations. But she did remind BPF to treat Miss A with forbearance and due consideration if she was in financial difficulties.

Miss A didn't agree. She explained there were issues receiving a fraud disclaimer from BPF. She said she was unhappy with how BPF handled things. It was affecting her mental health and she didn't understand why she was being held liable when the debt was taken out as a result of a scam. She reiterated she'd reported the matter. She was unhappy her credit file had been impacted and said it wasn't her fault.

As things weren't resolved the complaint has been passed to me to decide.

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.

I want to acknowledge I've summarised the events of the complaint. I don't intend any discourtesy by this – it just reflects the informal nature of our service. I'm required to decide matters quickly and with minimum formality. But I want to assure Miss A and BPF that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't

considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this.

Miss A bought the phones using fixed sum loan agreements. Our service is able to consider complaints relating to these sorts of regulated consumer credit agreements.

I first want to say I'm very sorry to hear about what happened. I don't underestimate the impact the situation has had on Miss A. I can't imagine how she must feel. But I need to consider how BPF has acted and take into account the law and regulations; rules, guidance and standards; codes of practice; and what is considered good industry practice.

I've thought about what I'd expect of BPF in this situation and whether there are grounds to direct it to clear the debt. While I appreciate Miss A says she was coerced and the victim of a scam, I have to bear in mind that BPF wasn't aware of this. It's not in dispute Miss A applied for the agreements and received the goods. I've not been supplied any evidence the salesperson at the store ought to have been aware of there being an issue either. BPF carried out the sort of checks I'd expect when the applications were made. The loss arose when Miss A gave the phones to the third party. In order for me to have the grounds to direct BPF to clear the debt I'd need to see where it made a mistake. And because I don't have that evidence, I won't be asking it to clear the debt. The main problem here was as a result of the person who scammed Miss A, rather than BPF's actions.

I've also thought about if there is anything else that BPF could do. It's not offered to do anything even after receiving the documents Miss A was able to supply. Miss A is in a vulnerable situation and firms are supposed to support their customers. One of the options in these situations is to remove interest and/or charges. But having looked at the fixed sum loan agreements, I don't have the option of asking it to do that because none have been applied. I can't point to other rules or guidance that BPF isn't adhering to either.

Like our investigator pointed out, if the matter is causing Miss A financial difficulty, I'd remind BPF to treat her with forbearance and due consideration. But, while I sympathise with the situation, I'm not going to direct BPF to take any other action. I hope she manages to find some success in recovering the money through the avenues she's tried.

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 Miss A to accept or reject my decision before 16 February 2024.

Simon Wingfield

Ombudsman