

The complaint

Mr P complains that Clydesdale Financial Services Limited trading as Barclays Partner Finance have irresponsibly lent to him.

What happened

Mr P was approved for three accounts between 8-9 August 2023. One agreement was for an interest free loan over 12 months on 8 August 2023 following a payment of £270 by Mr P. The amount of credit was for £939.

On 9 August 2023, the other two agreements were put in force. One of these was for revolving credit which had a credit limit of £500, and the other agreement was for £428 with monthly repayments of £35.67. Mr P says Barclays irresponsibly lent to him as he had missed repayments and County Court Judgements (CCJ's). Mr P told Barclays about his mental health, and he made a complaint to Barclays.

Barclays did not uphold Mr P's complaint. They asked for medical evidence from Mr P to look into the issue further for him. Mr P brought his complaint to our service.

Our investigator did not uphold Mr P's complaint. He said Mr P provided his income and Mr P's credit history didn't show any significant concerns with how he was managing his accounts. He said based on the information available to Barclays, particularly Mr P's income and credit history, he was persuaded Barclays acted reasonably in making their lending decisions.

Mr P asked for an ombudsman to review his complaint. He made a number of points. In summary, he said his income was £26,000, and not £48,000, he said he had multiple CCJ's, payday loans and missed payments when he applied for the accounts. Mr P says he's tried to talk to Barclays about his financial difficulties, but to no avail.

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 has made a number of points to this service, and I've considered and read everything he's said and sent us, including everything he's said about his personal circumstances. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

Mr P has mentioned he's tried to talk to Barclays about his financial difficulties but to no avail. This isn't something which Barclays have addressed in his final response letter. Mr P's complaint form to our service discusses a call he had with them on 28 November 2023. But as this was after his final response letter was issued to him from Barclays, Mr P would need to make a separate complaint directly to Barclays so they can investigate how he's been treated about his financial difficulty before our service would be able to look into this if he is unhappy with their response to this separate complaint.

Before agreeing to approve or increase the credit available to Mr P, Barclays needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Barclays have done and whether I'm persuaded these checks were proportionate.

Barclays considered the information that Mr P provided on his applications, and they obtained information from a Credit Reference Agency (CRA). The application data shows that Mr P told them he had net monthly income of £3,000. So although Mr P has told us that he has income of £26,000, this was not given on his applications as his income.

The CRA told Barclays that there was no public information, which would include things such as CCJ's. So although Mr P has said he had CCJ's, Barclays were told by the CRA that he had no CCJ's. It may be that different CRA's hold different information about the same customer (depending on if an account is reported to all of the CRA's or just one/some of the CRA's). But as Barclays had been told there was no public information, it would not be proportionate for them to disbelieve the information they were given.

I say this as the CRA reported other accounts Mr P had at the time to Barclays, and the payment history. None of his accounts showed any arrears or any missed payments. The amount of credit was relatively low compared to the income Mr P declared. The information showed that where Mr P had a credit limit, he was not at or very near his credit limit based on the information from the CRA. So based on the information the checks showed, I'm persuaded that the checks Barclays carried out were proportionate, and there was no information which reasonably ought to have prompted further checks from them. So I'm persuaded Barclays made fair lending decisions in approving the credit for the accounts to Mr P.

Although I'm persuaded Barclays made a fair lending decision based on the information they were provided with, they have offered to look into things again if Mr P can provide documents to them including his medical evidence. So this may be something that Mr P wants to provide to Barclays in order for them to reassess the outcome of his complaint. But I can't fairly say that they ought to have been aware of his personal circumstances (including his health) at the time the credit was approved.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Barclays lent irresponsibly to Mr P or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here. So it follows I don't require Barclays to do anything further.

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 4 October 2024.

Gregory Sloanes
Ombudsman