

The complaint

A sole trader, who I'll refer to as Mr F, complains that Barclays Bank UK PLC is unfairly holding him personally liable for a bounce back loan ("BBL") that he applied for on behalf of a limited company.

What happened

Mr F had a sole trader business account with Barclays.

At the end of 2019, Mr F set up a limited company to operate a separate business, which I'll call C.

In May 2020, Mr F successfully applied for a £15,000 BBL. The application was in his own name, although it also included the company registration number of C. The account details for his sole trader bank account with Barclays were provided and the BBL proceeds were paid into this account.

Mr F says that C had its own online bank account, but it was experiencing problems due to the pandemic, so the bank recommended he use his Barclays account details.

In July 2021, C was struck off the register of companies.

In 2024, Mr F complained that the BBL was in the wrong name. Barclays' records show that he had also mentioned this previously. Barclays didn't uphold the complaint as they said the application was in the name of Mr F.

Mr F referred the complaint to the Financial Ombudsman. One of our investigators looked into the matter, but didn't recommend the complaint be upheld. She said that she had listened to all the call recordings provided by the bank for conversations with Mr F in 2020 and none of these indicated that the loan should have been in the name of C. Neither did Barclays recommend that he should take out the BBL as a sole trader in any of these calls.

Mr F asked for an ombudsman's decision. He maintained that Barclays had misled him and the bank had been fully aware that the BBL was for C.

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 so – and in particular, having listened to all the call recordings – I have reached the same conclusion as the investigator, for essentially the same reasons. I haven't found any evidence that Barclays misled Mr F.

I have looked carefully at the application form and the only piece of information that casts any doubt over the identity of the intended borrower is the inclusion of the company

registration number. All other information points to Mr F as the intended recipient. I do not consider that the inclusion of C's registration number is enough in isolation to have led the bank to query the application, given that all other information is Mr F's and his sole trader bank account details were provided.

I have considered Mr F's assertion that the application was made wholly by telephone and that Barclays were fully aware who the applicant was. But it seems to me unlikely that Mr F's recollection of this is accurate. I can see that he made a number of calls to chase up the BBL funds. But it would be very unusual for a BBL application to be carried out by telephone, because the BBL scheme generally relied on an automated online process, where applicants needed to tick boxes to self-attest eligibility. Barclays' notes also contain no record of a phone application and it hasn't been able to locate any call recordings relating to this.

Barclays has provided quite a large number of phone recordings and its account records are otherwise accurate when cross-referenced with the phone recordings, so I have no reason to think that Barclays is deliberately withholding information.

If I'm wrong and Barclays did deviate from their usual process and allow Mr F to apply by phone, I consider that this would then put the onus on Mr F to check that the agreement he was sent was correct, given that he knew he had two businesses. The agreement is, in my view, very clear that the borrower is Mr F.

Barclays' records indicate that Mr F telephoned first on 3 April 2020. During that call, he confirmed he was still trading as a sole trader, but also mentioned that he had a separate limited company. He did not say which business wished to apply for the BBL and Barclays offered no advice regarding the borrower.

There are several subsequent calls between then and 30 April 2020, which all follow a similar pattern. Mr F mentions in several of the calls that he has two businesses, but never specifies that C is the intended borrower. I think it's more likely than not that he would have mentioned this, in the context of a phone call to chase up the loan. There is also no reference to any potential transfer of the loan from Mr F's sole name to C after drawdown. I accept that it's possible that Barclays' records are incomplete. But I think it's unlikely that none of the calls provided would have mentioned that the BBL was for C.

Since this complaint was referred to us, Mr F has informed us that Barclays has closed down all his accounts, made formal demand and passed his accounts to a debt collection agency. If Mr F is unhappy about this, he would need to complain to the bank about this first, as I consider this is a separate matter from the complaint I am looking at here. I would comment, however, that this is not an unusual chain of events, where loan repayments are not met.

My final decision

For the reasons set out above, I do not require Barclays Bank UK PLC to take any further action to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 11 June 2025.

Louise Bardell
Ombudsman