

The complaint

Mr C complains Barclays Bank UK Plc (“Barclays”) irresponsibly lent him a loan that caused him foreseeable harm.

What happened

Mr C applied for a loan with Barclays in April 2024. The application was accepted, and he was provided with a loan for £6,000 over 18 months with monthly repayments of £398.67.

In May 2024 Mr C complained to Barclays. He said it was irresponsible as he’s struggled with gambling since he was 18. He feels their systems are set up to take advantage of vulnerable people such as himself, they didn’t check if he was vulnerable and now he’s struggling to repay debts he took out during a period where his medication wasn’t available. Mr C would like the full amount written off.

Barclays responded in July 2024. They said at the time, he was earning around £3,100 per month and his fixed expenditure – his direct debts and standing orders – were around £1,000 per month leaving him with sufficient disposable income. They said as he’d not had a current account with them, they weren’t aware of his gambling. As a gesture of goodwill, they refunded the interest accrued to date – a total of £111.55.

Mr C remained unhappy with the response so referred his complaint to our Service, where an Investigator looked into things.

The Investigator said the checks were proportionate – they said Mr C’s credit reference agency (CRA) data was positive and he had a credit card with Barclays that was well managed. And as a result, they found the decision to lend was fair.

Mr C didn’t agree – he believes they didn’t have procedures to check if he was vulnerable which caused him harm. Because an agreement couldn’t be reached, 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 start by saying it’s very clear to me just how important this matter is for Mr C. He has set out his position in great detail and has provided lots of supporting information and has shared information about his circumstances openly and honestly. I thank him for that. But I think it’s important I explain that whilst I have read and considered all the information provided by both parties, I’ve outlined my findings in considerably less detail. I don’t mean any discourtesy by this, rather this reflects the informal nature of our service

The rules and regulations in place at the time Barclays provided Mr C with the loan required them to carry out a reasonable and proportionate assessment of whether he could afford to

repay what he owed in a sustainable manner. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be 'borrower' focused. This means Barclays had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mr C. In other words, it wasn't enough for Barclays to consider the likelihood of them getting the funds back or whether Mr C's circumstances met their lending criteria – they had to consider if Mr C could sustainably repay the lending being provided to him.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether Barclays did what was needed before lending to Mr C.

When Mr C applied for the loan, Barclays gathered information regarding his financial circumstances. It recorded that he was earning a salary of around £3,100 per month and had outstanding revolving credit debt of around £4,000. Mr C didn't have any defaults at the time of application. Overall, having looked at his income and expenditure they found he was left with around £400 disposable income, after repaying the new loan amount. This was collated using the information Mr C declared at application, and an external credit check.

Mr C also had a credit card with Barclays at the time, which was generally well managed and there was nothing on the statements that ought to have put Barclays on notice that Mr C was struggling.

I believe the checks Barclays carried out were proportionate, and considering the amount being provided to Mr C, and the information they gathered in these checks, I don't think they acted unfairly when providing him with the loan. I say this because the monthly repayment amount was modest in comparison to Mr C's monthly disposable income, and there were no signs of financial difficulty in the past.

I understand Mr C had taken out other credit around the same time, but this wasn't yet displaying on his credit report. This isn't uncommon – it can take up to 90 days for new lending to be available on a credit report, so I can't have expected Barclays to have been aware of this.

So while it's likely to come as a disappointment to Mr C, I'm not upholding his complaint against Barclays. I understand Mr C feels Barclays didn't check he was vulnerable – but I don't think they had any way of being aware he was vulnerable without Mr C letting them know directly – which he didn't.

I know Mr C would like the full amount written off, but I'm satisfied Barclays didn't act irresponsibly, so I don't think a write off is fair in this case.

It would be unreasonable to ask Barclays to write off the debt linked to Mr C's loan as this is money Mr C spent and is liable to repay. I'm pleased to see Barclays have now provided Mr C with a 0% resolve loan to help him repay the capital over 96 months. Barclays aren't profiting from Mr C's vulnerabilities which is positive to see.

In reaching my conclusions, I've also considered whether the lending relationship between Barclays and Mr C might have been unfair to Mr C under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Barclays did not lend irresponsibly when providing him with the loan. And I haven't seen anything to

suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So while it'll likely come as a disappointment to Mr C, I won't be upholding his complaint against Barclays for the reasons explained above.

My final decision

It's my final decision that Barclays Bank UK PLC didn't treat Mr C unfairly when lending to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 29 September 2025.

Meg Raymond
Ombudsman