

## **The complaint**

Mrs E complains that Barclays Bank UK PLC was irresponsible in its lending to her. She wants all interest and charges refunded along with statutory interest and to only have to repay the amount she borrowed.

## **What happened**

Barclays provided Mrs E with a £10,000 loan in April 2016. The loan term was 120 months and Mrs E was required to make monthly repayments of around £119. Mrs E said that Barclays didn't carry out adequate checks before the loan was provided and that she had high outstanding balances on her credit card and overdraft.

Barclays issued a final response to Mrs E's complaint dated 3 October 2024. It noted the loan was provided in 2016 and said that Mrs E had raised her complaint too late.

Mrs E referred her complaint to this service.

Our investigator explained that due to the time that had passed since the loan was granted, Barclays hadn't been able to provide evidence of the checks it undertook. So, he couldn't say whether these were proportionate or not. Therefore, he considered, based on the available evidence what proportionate checks would likely have identified. As he found these would support the lending to be affordable, he didn't uphold this complaint.

Mrs E didn't agree with our investigator's view. She said that he had based his calculations on her monthly income being £1,900 but it wasn't this high. She said her monthly income was around £900. Our investigator considered Mrs E's comments but still found that based on the available information the loan appeared affordable.

As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue a decision. Barclays agreed to this and confirmed it had nothing further to add.

## **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.

Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is set out on our website.

The rules don't set out any specific checks which must be completed to assess creditworthiness. But while it is down to the firm to decide what specific checks it wishes to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, and the total cost of the credit.

Mrs E was provided with a £10,000 loan. The loan term was 120 months and Mrs E was required to make monthly repayments of around £119. Given the size and term of the loan,

we would expect Barclays to have carried out checks to ensure it had a clear understanding of Mrs E's financial circumstances including verifying her income and gathering information about her expenses. As Mrs E's bank accounts were with Barclays it had access to her account transactions and so would have been able to use this to assess her income and outgoings.

Unfortunately, due to the time that has passed since the loan was provided, Barclays has been unable to provide the details from its affordability checks. Therefore, I have considered, based on the evidence provided, what I think proportionate checks would likely have identified.

Mrs E has provided copies of her bank statements for the months leading up to the loan being provided. Having looked through these, they show her receiving a regular salary which averaged around £1,080 a month plus income from benefits, being her total average monthly income to around £1,500. Mrs E also received frequent payments into her account from individuals, but she has explained these were payments for goods she ordered on behalf of the individuals therefore I haven't included these amounts in my assessment. That said, I note that as well as the varied payment amounts she was receiving from one individual (some of which were referenced as 'catalogue') she was also receiving an average of around £170 from this individual which was labelled as 'bills'.

Mrs E's account statements show her making regular payments for expenses including credit commitments, insurances, utilities and communications/media contracts. These averaged around £1,010 a month. Deducting these costs would leave around £490 to cover the repayments on the Barclays loan (£119) and her general living costs. While this isn't a large amount, I do not find that I have enough based on Mrs E's income and outgoings, to say that had proportionate checks been carried out the lending would have been found to be unaffordable for Mrs E. Therefore, I do not find that I can uphold this complaint.

I've also considered whether Barclays acted unfairly or unreasonably in some other way given what Mrs E has complained about, including whether its relationship with her might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Barclays lent irresponsibly to Mrs E or otherwise treated her 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.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E to accept or reject my decision before 12 June 2025.

Jane Archer  
**Ombudsman**