

## **The complaint**

Miss P complains that Barclays Bank UK PLC was irresponsible in its lending to her. She wants all interest removed from her loan and any interest and charges she has paid refunded. She also wants any adverse information about this loan removed from her credit file.

## **What happened**

Miss P was provided with a £6,400 loan by Barclays in April 2022. The loan term was 60 months and Miss P was required to make monthly repayments of around £164.

Miss P said that the loan wasn't affordable. She believes that Barclays used an incorrect income figure which included transfers between herself and her partner for bills. She said her income was much lower than Barclays recorded, and she had other debts outstanding at the time. She thinks that adequate checks would have shown that she wouldn't be able to afford the loan repayments over the loan term.

Barclays issued a final response to Miss P's complaint dated 10 April 2025. It said that its checks showed the loan to be affordable for Miss P.

Miss P referred her complaint to this service.

Our investigator thought that given the size and term of the loan, Barclays should have carried out further checks to ensure it had a good understanding of Miss P's finances so that it could be satisfied she would be able to sustainably afford the loan repayments over the loan term. However, she found that had this happened, the loan would have been found to be affordable for Miss P. Therefore, she didn't uphold this complaint.

Miss P didn't agree with our investigator's view. She didn't accept that the disposable income that had been calculated was accurate saying she never had that level of money available. She said she had missed direct debits in the six months prior to the loan being granted and she didn't think that reviewing three months of her account statements was enough given the size and term of the loan being provided. Miss P said that she had another complaint that was upheld and her disposable income in that complaint was shown to be much lower.

As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue a decision.

## **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.

Miss P was provided with a £6,400 loan repayable over 60 months. Given the size and term of the loan, Barclays needed to get a clear understanding of Miss P's financial circumstances at the time of the lending to ensure that it could be satisfied the repayments would be affordable for her over the term.

Before the loan was provided, Barclays asked Miss P about her monthly income and assessed this against her transactions data. It estimated Miss P's housing costs and used data from her credit check to assess her existing credit commitments. The credit search undertaken didn't raise any major concerns about how Miss P was managing her existing credit commitments. While I have seen a summary of the credit check results, I haven't seen the details, and I note the summary recorded Miss P as having missed a payment in the previous six months. Given the size and term of the loan and that Barclays had access to Miss P's account statements for the months leading up to the lending, I think it would have been proportionate for it to have used the information available to carry out a thorough check of Miss P's income and actual expenses to ensure the lending would be affordable.

I note Miss P's comment about needing to consider more than three months' worth of data. But I find it reasonable to consider the information from three months of Miss P's bank statements along with the other information she declared, and data received from the credit reference agency when deciding about whether to lend.

Barclays has said that its review of Miss P's statements showed her to be receiving an average monthly income of £3,192, however for the purpose of its affordability assessment it used Miss P's declared income figure of £2,100. I have looked through Miss P's bank statements for the months leading up to the loan application and her income from her salary and benefits averaged around £1,717. Additional to this she received a regular payment from her partner for household bills. This averaged around £1,560. Miss P was paying for her mortgage and other housing costs including utilities, insurances and communications / media contracts as well as her credit commitments.

I have looked through Miss P's credit report and this doesn't show signs that she was struggling to manage her commitments at the time the loan was provided. The report supports the data provided by Barclays and I have considered this alongside the information in Miss P's bank statements to assess her existing credit commitments at the time. Combining Miss P's mortgage and other essential costs with her existing credit commitments gave total expenses averaging around £2,000. While this was higher than Miss P's income from her salary and benefits, she was receiving around £1,560 towards her costs and I think this would have been identified through further questions. Including this in the assessment would leave Miss P with sufficient money to make the Barclays loan repayments and have money remaining for her other costs. Therefore, in this case I do not find that further questions would have suggested the loan to be unaffordable.

I note Miss P's comment about another complaint of hers being upheld. But each complaint is assessed on its own merits and for the reasons set out above, I do not find I can uphold this complaint.

I've also considered whether Barclays have acted unfairly or unreasonably in some other way given what Miss P has complained about, including whether its relationship with Barclays might have been viewed as unfair by a court 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 Miss P 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 Miss P to accept or reject my decision before 24 July 2025.

Jane Archer  
**Ombudsman**