

## The complaint

Mr L complains Barclays Bank UK PLC (“Barclays”) irresponsibly lent to him.

## What happened

Barclays provided Mr L with the following three loans:

Loan number	Loan date	Loan amount	Monthly payment	Term	Date closed	Consolidation
1	28 December 2018	£30,000	£589.12	60 months	January 2020	Loan 1 consolidated prior loans totalling around £26,592
2	9 July 2019	£7,500	£161.47	60 months	January 2020	None
3	17 January 2020	£32,200	£633.53	60 months	September 2021	Loan 3 consolidated loans 1 and 2

I understand repayments were made on time for loans 1 and 2 but loan 3 was defaulted and the debt sold.

Barclays has consented to our service considering Mr L’s complaint for loan 1, despite it having the potential to have been brought outside of the time limits allowed for complaining. I’m therefore satisfied I’m able to consider Mr L’s complaint about that loan in addition to loans 2 and 3.

Mr L says there were clear signs the lending was unaffordable for all three loans and therefore Barclays shouldn’t have provided them.

Further details of this complaint are well-known to both parties, so I won’t repeat them again here. The facts aren’t in dispute, so I’ll focus on giving the reasons for my decision.

Because the parties couldn’t agree, the matter 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.

Having done so, I’m not upholding this complaint. I know this will come as a disappointment to Mr L - but I’ll explain my reasons why.

I’ve noted Mr L’s comments, following the Investigator’s view, and in particular, wanted to reassure him the information he listed has been disclosed for consideration by me. I also want to say that whilst I’ve summarised his complaint in far less detail than he’s set out, I

have considered all the information and evidence on this case. I don't mean any discourtesy by this; it's merely a reflection of the informal nature of our service.

We explain how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Mr L's complaint.

Barclays needed to make sure it didn't lend irresponsibly. This means it needed to carry out proportionate checks to understand whether Mr L could afford to repay the loan before providing the lending.

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 L. In other words, it wasn't enough for Barclays to consider the likelihood of it getting the funds back – it had to consider the impact of any repayments on Mr L.

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 it needed to before agreeing to lend to Mr L.

These were sizeable loans being given to Mr L – and in fairly quick succession, as Mr L has pointed out. Relative to his income of around £2,500 per month, the monthly repayments required were also considerably high. But it's relevant that for the larger loans (1 and 3), the main purpose of them was to consolidate and therefore pay off existing debt. But Barclays still needed to ensure that Mr L wasn't becoming overindebted and that the lending was affordable.

Before providing each loan, Barclays carried out an income and expenditure check, using a mixture of actual data, seemingly from Mr L's bank statements (he banked with Barclays) as well as statistical data to estimate other information. It also carried out a credit check. Those checks suggested the lending was affordable. So, it's certainly arguable, as our Investigator has said, that the checks for loans 1 and 3 were proportionate. Particularly on the basis Barclays was topping up existing loans that Mr L held with it. Loan 1 consolidated other Barclays loans totalling around £26,592, that Mr L appears to have taken out prior to loan 1. And loan 3 appears to be a total consolidation of loans 1 and 2.

In fact, it appears by taking out loan 1 and consolidating his previous Barclays loans, Barclays' notes suggest Mr L would be paying around £589 per month instead of around £720. In support of this, I can see what Mr L was paying towards these previous loans on his bank statements and this does suggest he was paying around £720. Similarly, as loan 3 was consolidating loans 1 and 2, Mr L would now be paying around £633 per month instead of around £750. It's fair to say consolidating existing credit in this way can often lead to reduced monthly costs and even savings overall.

However, given loan 2 would mean Barclays lending an additional £7,500, shortly after topping up his existing lending via loan 1, I agree with the Investigator that Barclays ought to have done more to verify Mr L's income and committed living expenses for loan 2.

In saying this, although I'm not saying Barclays was required to do so, for completeness, I've reviewed Mr L's bank statements to understand more about his financial situation in the few months leading up to each loan being provided, as opposed to just loan 2. When doing this, I

relied on his actual income (it seems Barclays was using a slightly inflated amount) and the transfer for bills Mr L has pointed out (around £950 per month) *and* I also counted any other committed living expenses I can see, such as gym membership and transport costs (which were relatively high, coming out at well over £100 each month). As well as monthly credit commitments. But after doing this, I'm satisfied Mr L had enough disposable income to comfortably afford each loan, as well as leaving headroom for any unforeseen circumstances. This is important, as Mr L was committing to paying these loans for a reasonably long period. So, taking all of this together, even if Barclays had carried out additional checks at each lending point, I still think it would have found each of the loans affordable.

I've also considered however, what Barclays' credit checks showed when providing each loan. It's fair to say most of Mr L's lending was with Barclays. He did have some credit cards at the time with other providers, and these balances were showing at around £4,000 to £5,000 although his external balances before the provision of loan 1 were showing as nil on Barclays' checks. Irrespective of this, Barclays did include an amount payable towards existing credit in its calculations, and I think it's reasonable for it to have done so, given there were some payments to other lenders showing on Mr L's bank statements. I also included this in my affordability calculations. There wasn't any adverse information showing, with payments being made on time and no evidence of more serious financial difficulty such as defaults – and, Mr L had a good payment history with Barclays. I've reviewed the credit report Mr L has provided too and, although because of the passage of time some of the information is missing, what I can see does support what Barclays' checks showed at the time of lending.

I also agree with the Investigator that Mr L didn't appear to be relying heavily on his overdraft on his sole account, in the lead up to the provision of each loan. Mr L says his joint account however does show a constant overdrawn balance - I've only seen an annual statement for this account. But I don't think this, on its own, is evidence enough, in all the circumstances of this case, that Mr L was in financial difficulty or that these loans weren't affordable or repayments sustainable. Mr L also says he was only making minimum payments towards his credit cards. Looking at his bank statements, I don't necessarily think this was the case. In any event, for the purposes of his monthly credit commitments in affordability calculations, I've considered what sustainable payments would cost him – and I'm satisfied payments over and above the minimum would have been affordable for him. In context of this, and everything else I've seen, I don't think this would have been a reason for Barclays not to have lent either.

So, I think the evidence suggests Mr L had been generally managing his existing credit well and there wasn't anything else to suggest Barclays shouldn't have lent.

I appreciate the reality of Mr L's situation may have been different compared to what I've said checks showed or would have shown, had they been proportionate. Mr L did go onto miss payments for loan 3, defaulted on the loan and entered into a Debt Management Plan. So, I understand he's now in a difficult financial situation and this will have impacted him greatly, both financially and personally, as he's explained. I'm very sorry to hear this. But for the reasons I've explained, I don't think any problems Mr L may have had later repaying the debt, would have been foreseeable to Barclays at the time of providing these loans.

So, overall, I don't think Barclays lent irresponsibly to Mr L.

Finally, I've also considered whether the relationship 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 Mr L 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.

### **My final decision**

For the reasons explained, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 26 February 2026.

Sophie Kyprianou  
**Ombudsman**