

## **The complaint**

A company, which I'll call T, complains that Barclays Bank UK Plc declined its application for a business loan and overdraft. T also complains that Barclays Bank UK Plc wouldn't accept an application for a Bounce Back Loan because the scheme had ended.

## **What happened**

T applied for a £5,000 business loan and a £1,000 overdraft in March 2025. A few days later, Barclays declined T's applications. Barclays said that it had reached this decision because it didn't think T could afford the repayments. Barclays further said that affordability was decided by looking at the cashflow available to T.

So T's director complained. But Barclays but didn't think it had done anything wrong. The bank said that as a responsible lender it assessed affordability before providing lending. Barclays also said that it couldn't support any application under the Bounce Back Loan scheme as this ended years ago.

As T's director was unhappy with Barclays' response, he referred the complaint to our service. The director argued, in summary, that T required the funds to help grow the business and had never missed any payments previously. He also said that when he'd discussed the potential for lending with T's relationship manager, the relationship manager had been very positive about T's chances.

One of our investigators considered T's complaint. She noted, but couldn't confirm, the director's comments that T's relationship manager had been enthusiastic about T's prospects for obtaining lending. Yet, regardless of this, she thought it was fair for Barclays to decline the applications.

Her reasons why, in short, were that it was reasonable for Barclays to assess whether T could afford the lending. And after she'd reviewed the bank's records detailing the history of T's account she didn't think it was unreasonable for Barclays to conclude the lending wasn't affordable – even after considering the director's argument that lending might improve T's finances by allowing for investment in the business. Furthermore, she said that it was fair for Barclays to not accept an application under the Bounce Back Loan scheme from T in 2025 given that this scheme closed in 2021.

T's director didn't agree with our investigator. He said that T generates enough income to cover the repayments.

## **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 agree with our investigator, for largely the same reasons. I will make some further comments though.

Ultimately, I think Barclays is entitled to some discretion when deciding whether to provide T lending. The borrower's capacity to afford the potential lending is a reasonable thing for a lender to consider when making this decision. Nothing I've seen in this case leads me to conclude that Barclays has exercised this discretion unfairly.

T is not a new business. And I can see that a factor for Barclays in making its decision was the income and expenditure going through T's Barclays account over the years. I've had sight of this too, and I note from this that the income T processed through its account was relatively modest and generally only slightly higher than its expenditure.

I've considered that T's director says that T generates enough income to afford the lending it applied for as well as his comments on T having a clean financial record with no overdue debts. But I still think it was fair for Barclays to rely on the information readily available to it by looking at T's account history. I further think that it was reasonable for B to have concerns about how T might afford the prospective lending repayments based on this information. It follows that I think it was fair for Barclays to decline T's applications.

I also can't add anything to what our investigator said about Barclays not considering an application for a loan under the Bounce Back Loan Scheme. The investigator is correct that this scheme ended in 2021 and was not open for applications in 2025. I therefore can't fault Barclays for not accepting or considering an application from T under this scheme.

It is for these reasons that I won't be requiring Barclays to take further action here.

### **My final decision**

My final decision is that I do not uphold this complaint against Barclays Bank UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or reject my decision before 25 February 2026.

Laura Colman  
**Ombudsman**