

## The complaint

Mrs S complains that Barclays Bank UK PLC was irresponsible in its lending to her. She wants all interest and charges she has paid refunded along with statutory interest and any adverse information about the lending removed from her credit file.

Mrs S is represented by a third party but for ease of reference I have referred to Mrs S throughout this decision.

## What happened

Mrs S was provided with two loans by Barclays, the details of which are set out below

Loan	Date	Amount	Term	Monthly repayments
1	August 2019	£15,000	48 months	£340.57
2	October 2023	£19,000	60 months	£413.27

Mrs S said that Barclays didn't carry out sufficient checks before the loans were provided to ensure that the repayments were affordable for her. She said she had other debts outstanding at the time.

Barclays issued a final response to Mrs S's complaint dated 10 January 2025. It said that before the loans were provided it conducted all necessary affordability checks. As part of its investigation into Mrs S's complaint it said it carried out income and expenditure checks based on her account statements and these showed the loans to be affordable.

Mrs S referred her complaint to this service.

Our investigator thought the checks carried out before the loans were provided were reasonable. Based on these he didn't think that Barclays had made an unfair lending decision.

Mrs S didn't agree with our investigator's view. She said the income figure used was incorrect.

As a resolution hasn't been agreed, this case 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.

Mrs S was provided with two loans by Barclays. Before the loans were given, Barclays asked Mrs S about her income and expenses and carried out a credit check. Mrs S's declared income was checked using transactional data from her Barclays account statements and a credit reference agency tool. The credit checks didn't raise concerns about how Mrs S was managing her existing credit commitments and as Barclays had access to Mrs S's transactional data, I find that it had a reasonable amount of data available to it to be able to understand Mrs S's financial situation and assess whether the loan repayments would be affordable.

As I think Barclays gathered and had access to a reasonable amount of data, I have considered this to identify whether, based on the information available to it, Barclays made fair lending decisions.

#### *Loan 1: August 2019*

Barclays has said that it validated Mrs S's income and a figure of £2,838.55 was used in its assessment. Mrs S has disputed this amount but having looked through her statements I can see a regular monthly salary of around £2,085 as well as frequent payments into her account from another individual and net transfers from her joint account. Therefore, I do not find that I can say that Barclays was wrong to rely on the validated income figure.

Mrs S's credit file showed she had no adverse data recorded. She had revolving debt totalling around £2,750 which I do not think should have raised concerns. Deducting Mrs S's repayments for her existing credit commitments and costs such as housing, utilities and council tax along with an amount for her other essential spending would leave Mrs S with around £1,190. Deducting the Barclays loan repayments from this amount would still leave Mrs S with a reasonable level of disposable income to cover any unexpected or unforeseen costs. Therefore, I do not find I can say the loan should have been considered unaffordable. Given this and as I do not find the other information raised concerns about the lending, I do not find I can say that Barclays was wrong to provide this loan.

#### *Loan 2: October 2023*

Mrs S maintained her repayments on loan one without issue and then repaid the loan early in March 2021. Therefore, I do not find that her previous loan management would have raised any concerns. The second loan was taken out in October 2023, so around two and a half years later which doesn't suggest a reliance on this borrowing.

At the time of loan two, Mrs S declared a monthly net income of £4,500 and Barclays validated this and used an income figure of £4,253. Having looked through Mrs S's accounts I can see she received a regular income into her sole account as well as transfers into the account from her joint account (although I note she also transferred money back to the joint account). However, based on the income declared and the income being received into the Mrs S's account I do not find the income figure used by Barclays was unreasonable.

Mrs S's credit report showed that her debt levels had increased since the last loan was provided. Her total debt was over £20,000 with £6,250 of revolving debt and £14,250 of non-revolving unsecured debt. However, comparing this amount to her income, I do not find it suggested that Mrs S was overindebted at this time. Mrs S was managing her credit

commitments without any major issues and the repayments towards these were included in the affordability assessment along with other expenses such as housing and utility costs. Deducting these amounts and the Barclays loan repayments would leave Mrs S with around £1,385 for her general living costs and any unforeseen expenses. I do not find this unreasonable and find that the check suggested that the loan would be affordable for Mrs S.

As the loan appeared affordable and Mrs S's credit file didn't raise concerns about how she was managing her existing commitments, I do not find I have enough to say that Barclays was wrong to provide this loan.

I've also considered whether Barclays acted unfairly or unreasonably in some other way given what Mrs S has complained about, including whether its relationship with Mrs S 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 Mrs S 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 S to accept or reject my decision before 20 October 2025.

Jane Archer  
**Ombudsman**