

The complaint

Mr T says Barclays Bank UK PLC ('Barclays') didn't approve a loan he applied for, and it won't provide full information about why this was.

What happened

This complaint is about a loan that Mr T applied for that was rejected.

Mr T complained to Barclays about the rejection of the loan and the lack of information that been provided to him about it. Barclays considered the complaint and it upheld it in part, as it felt that it may not have administered the loan application correctly. It provided £50 in shopping vouchers as compensation.

Mr T didn't agree with this and brought his complaint to the Financial Ombudsman Service.

Our Investigator didn't uphold Mr T's complaint. He thought that whilst there were some indications that Barclays may not have administered the loan application correctly, it wouldn't be appropriate for the Financial Ombudsman to intervene in this process. And the compensation Barclays has provided was reasonable for any frustration caused.

Mr T didn't agree with the Investigator. He said, in summary, that the correct process wasn't followed and the loan shouldn't have been rejected. Barclays asked for information that it already had. It should have supplied more detailed reasons for the refusal, and he shouldn't have to go through another loan application process to get more information.

Because Mr T didn't agree, this matter has been passed to me to make a final 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.

Mr T applied for a loan in June 2025. The loan wasn't approved. Mr T wasn't given clear information about why this was, but it was indicated to him that this was possibly due to a previous product being declined, or that the amount of credit he had with his Barclays credit card meant that it didn't want to lend further to Mr T.

Mr T was told he could appeal this and he started this process. But he was informed the credit limit on his card may need to be reduced. Mr T also felt that Barclays were asking for a '*ridiculous*' amount of information and it already had much of what it was asking him for. So, he stopped this process and started his complaint.

After our Investigator considered this complaint, Mr T has let us know he applied for a loan in a Barclays branch, and this has also been declined. He says he was told that the credit limit on his existing credit card was the reason for this.

Considering these loans application processes, Barclays, and any business, should have discretion about which loans it approves. It's right that it can decline to lend and this is a situation where the Financial Ombudsman would not usually intervene. To put it another way, it wouldn't be right for me to say that a business should have lent when its own lending decision is that it shouldn't. I can see that Mr T feels strongly that he shouldn't have been declined for a loan, but this is a decision for Barclays to make. And I'm not upholding Mr T's complaint on the basis that it should have approved this loan.

Barclays clearly has a process to approve loans, and there is some indication that it did not entirely follow this process. It seems to have said this itself. But it's been established the application / appeal process for the first loan didn't complete, and his second loan application was also declined. So, I don't think there is any basis to say that if Barclays had followed a different process, or its existing process more closely, that it would have lent to Mr T. It seems established that it wouldn't. And as I've said above it's not appropriate for me to change this decision.

Mr T has said that the crux of his complaint is that Barclays didn't provide clear, or enough, information about why his loan was declined. Loans can be declined for a variety of reasons and some of these can be commercially sensitive. So, and whilst I appreciate that Mr T feels Barclays didn't act as it should here, I don't think I can reasonably say it needed to provide further information. And it has now provided the reasons why it won't lend to Mr T.

It's clear all of this has caused Mr T some distress and inconvenience. And Barclays has accepted that some of the information it gave him about why the loan was declined was confusing. It has offered and paid some compensation for this. I don't think this is unreasonable and given that I'm not upholding the material aspects of Mr T's complaint I don't think a further award is fair.

My final decision

For the reasons set out above, I don't uphold Mr T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 13 March 2026.

Andy Burlinson
Ombudsman