

The complaint

Mr F complains about his experience applying for finance with Barclays Partner Finance ('BPF').

What happened

The parties are familiar with the background details of this complaint – so I will briefly summarise them here. It reflects my role resolving disputes with minimum formality.

Mr F applied for a fixed sum loan with BPF to finance a phone from a supplier at one of its retail stores ('Store K') on 19 October 2023. The application was declined.

Mr F called BPF to find out why – which led to him to raising an enquiry with BPF's underwriting team. As a result of this Mr F submitted further information to BPF and it pre-approved him for the finance and told him to return to the store to go through a 'hand-held' process with the underwriting team to ensure things went smoothly.

However, despite being pre-approved for finance Mr F continued to have his application declined by BPF in another of the supplier's stores ('Store R'). In summary, Mr F says the whole process has been humiliating for him and went on for weeks. He says he has been back and forth to the supplier and made multiple calls to BPF to try and sort the matter out.

BPF has offered £250 compensation for what occurred, but Mr F says this is not sufficient to reflect the considerable personal impact on him.

The matter has been referred to me for a final decision. I issued a provisional finding which said:

What I've provisionally 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.

While I might not comment on everything (only what I consider key) this is not meant as a discourtesy to either party – it reflects my role resolving disputes with minimum formality.

I note BPF sent Mr F a response to his complaint over several response letters. For clarity I am looking at a complaint regarding the applications up to the point of the complaint response letter dated 21 December 2023.

In considering what is fair and reasonable, I need to have regard to the relevant law and regulations, regulators' rules, guidance and standards, codes of practice and (where appropriate) what I consider to have been good industry practice at the relevant time. This includes the FCA Consumer Duty, which amongst other things requires firms like BPF to act in good faith, avoid causing foreseeable harm, and enable and support retail customers to pursue their financial objectives.

Errors by BPF

From what I can see from the information I have (including BPF's system notes and call transcripts of Mr F's calls with BPF's central customer care team) Mr F went to the supplier's retail sites in relation to this matter on the following visits:

- 1. 19 October 2023 – Store K*
- 2. 21 October 2023 – Store K*
- 3. 29 October 2023 – Store R*
- 4. 1 November 2023 – Store R*
- 5. 10 November 2023 – Store R*
- 6. 15 November 2023 – Store R*

During every visit Mr F had his application for finance declined. Despite use of the term 'Affordability failed' on the system notes for declined applications BPF does not appear to be making the case that Mr F did not meet its lending criteria at the time the applications were submitted. From the conversations Mr F had with BPF and the events that have transpired it appears Mr F's circumstances were considered suitable for financing the phone with BPF. However, during Visit 1 BPF was unable to automatically verify his income using its background process. So it needed Mr F to manually provide information to assist with this (like his payslips) and show he was earning the salary he had applied with.

I can of course understand the importance of BPF having a system in place so it can verify income as part of its role as a responsible lender. But it is arguable that when BPF was unable to use its tool to do this automatically, it would have been good practice to have flagged to Mr F at the outset that a manual intervention was required and explain to him that he should get in touch with the underwriting team to progress it. Instead it was left to Mr F to get in touch with BPF to find out what the issue was after the decline, causing him frustration and concern that arguably could have been mitigated at the outset.

I can see Mr F's initial enquiry led to an appeal with BPF's underwriting team, which requested further information so it could pre-approve the finance before his next visit to the store. However, despite the issue apparently being resolved by Mr F sending said additional documentation to BPF for it to pre-approve the application, what seems to have followed is a mixture of either poor communication, system errors and/or poor customer service by BPF which led to Mr F having his application repeatedly declined from Visit 3 to Visit 6 (I will deal with Visit 2 later for completeness). This caused avoidable distress and inconvenience for him.

The decline during Visit 3 appears to be because Mr F returned to a different store (Store R) and took out a slightly different (and cheaper) model of phone because his original preference was out of stock. I can see why Mr F reasonably didn't wait for his preferred model to come back into stock here, because BPF had warned him that the pre-approval would expire if he left it too long (although unhelpfully it didn't appear to tell him when it would expire).

Furthermore, I don't think it would have been obvious to Mr F what he had done would cause an issue with the finance particularly as the replacement phone was cheaper. Nor can I see where BPF explained to Mr F beforehand that the pre-approval was dependant on him returning to Store K and requesting the exact model of phone. I think this was crucial information and BPF should have told Mr F this so he could have either gone back to Store K and asked for the same phone or modified the pre-approved application with the underwriting team at the outset. Mr F suffered avoidable distress and embarrassment because of BPF not flagging this and it meant the situation went on, exposing him to further problems.

Despite Mr F then liaising with BPF so it could pre-approve the application based on Store R and the revised model phone I can see there was a further decline during Visit 4 which appears to be due to a general system error. Although BPF has indicated the supplier had system issues it has also not persuasively shown the issue was solely down to its system. BPF, in call logs with Mr F and its complaint response letter also appears to acknowledge it had its own system issues. And as this error appears to relate to Mr F's ability to electronically sign the finance document it seems likely BPF is at least partly responsible for what happened here.

Mr F then goes back to liaise with BPF once again so he can arrange to make a further application in store. However, from what I can see despite Mr F having numerous conversations on the phone about it with BPF, it is unable to resolve the issue and there are further declines on Visit 5 and 6. From what I can make out from the evidence available this seems likely because BPF had not been able to cancel the application which was approved for Visit 4 and was left 'waiting to be signed' (but was apparently not signed due to the system error). This pending application appears to have meant any later applications have failed. BPF has not provided a persuasive explanation as to why it couldn't cancel the application in a timely way before Mr F made Visit 5 (and beyond) and although it has suggested the supplier played a part in the system issues – once again I am not convinced that BPF is completely blameless here.

For completeness, I don't think the impact of the repeat decline during Visit 2 has fairly arisen because of a likely error by BPF. It seems after Mr F's initial call with it on 20 October 2023 he mistakenly thought he should return to the store to make another application after raising the underwriting appeal. However, from the call notes I can't fairly say the agent is responsible for that misunderstanding. The agent confirms he raised an appeal and explains that if the underwriting team agree the computer is wrong to have declined the initial application it will ask Mr F to go back into the store. He then explains that the next step is that Mr F will hear from them letting him know the decision of that appeal. So I can't fairly say that BPF is liable for the embarrassment and inconvenience Mr F suffered during this particular visit. Although, it still forms part of the overall context for why the later incidents were more impactful for Mr F.

The impact on Mr F

I am satisfied that were it not for the errors of BPF I have outlined Mr F would likely not have:

- spent what appears to be hours on the phone with multiple agents - causing frustration and inconvenience;*
- made unnecessary trips to carry out repeated finance applications (in particular the later trips to Store R – which involved around a 45 minute to 1 hour car trip each way);*
- suffered deeply felt embarrassment during times applications were refused; and*
- experienced ongoing frustration and inconvenience while the matter remained unresolved in excess of three weeks.*

I think it is important to note that although BPF agents were generally apologetic and trying to assist Mr F no one really appeared to take ownership of the issue. Mr F even mentioned this himself at one point on the phone. I think it was particularly important for this to happen after Visit 3 where it was clear that Mr F needed more support with the pre-approval process – and that he had already been through several declines which had made him feel

embarrassed. Instead it appears Mr F was left to repeatedly call up to try and get the matter resolved. Talking to different agents, repeating himself multiple times and clearly experiencing protracted frustration. Furthermore, I can see Mr F was caused extra frustration while in store when the underwriting team did not call him at the time it said it would, leaving him waiting and having to chase things. This appears to have occurred multiple times – and has added unnecessary distress to the situation.

Mr F has also described to BPF's agents on the phone (multiple times) and to this service why he felt such deep embarrassment in the store each time his application was declined. I can see this goes to the core of the impact of the situation. Multiple declines would be unpleasant for anyone. But Mr F has explained what his job entails and how important his sense of integrity is as a result. He said that when the declines kept coming it was humiliating for him and made him feel he had done something wrong.

I note Mr F has also said to BPF and this service that he felt that he had been victimised and discriminated against. I am sorry to hear that. BPF can't be surprised that Mr F felt this way, when it was not clear with him about why its process was getting in the way of successfully applying for finance. And the journey it took him through involved multiple incidents which made him feel embarrassed in public.

I am aware BPF has acknowledged it could have done things better and offered Mr F a total of £250 compensation to resolve matters. However, while compensation is not a science I don't think that sufficiently reflects the situation here. I have considered our approach to awards for distress and inconvenience as set out on our website. And after doing so I think that an award of £400 more fairly reflects this situation where the impact of BPF's mistakes has caused Mr F considerable distress and inconvenience. The impact of which has lasted over several weeks.

I also note Mr F had raised with BPF the fuel costs of the unnecessary trips to Store R as a result of its actions. I think it fair BPF pays for this. It is difficult to know exactly what these cost Mr F – however, I think it fair that if he can show the miles for each round trip via a journey planner or similar then this can be multiplied by the advisory fuel rates on the gov.uk website (based on evidence of his engine size and fuel type) to produce a formula for BPF to refund him this consequential loss (for example 14 pence a mile for a petrol car with an engine size 1401 to 2000 cc).

I also think that BPF should ensure Mr F's credit file has not been impacted by its errors here. In the circumstances I think it fair that it removes all records of declined credit in relation to this matter on his credit file (if it has not done so already).

I note here that BPF said it sent Mr F a cheque for the initial £50 compensation it offered him which wasn't cashed. For clarity my direction here is not in addition to this £50. So if BPF has not done so already it should cancel this cheque. If it transpires that it has been cashed by Mr F then it can reduce the settlement below accordingly.

My provisional decision

I uphold this complaint and direct Clydesdale Financial Services Limited trading as Barclays Partner Finance to pay Mr F £400 compensation and reimburse him the fuel costs calculated in accordance with the methodology described above. It should also amend his credit file as directed above.

On the fuel costs BPF should pay Mr F 8% simple yearly interest calculated from 29 October 2023 to the date of settlement. If BPF considers it should deduct tax on this interest award it should provide Mr F with a certificate of tax deduction.

I asked both parties for comments on my 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.

I don't have a lot to add here. Both parties appear to have agreed with my decision – and the submissions since appear to be about the finer details of the fuel costs more than anything else. So based on this I don't see a reason to depart from the findings in my provisional decision. I still consider these fair for the same reasons as detailed above.

BPF said it is willing to cover the fuel costs for the four visits to store R. And calculated the return journey of each visit as 36 miles. Mr F also appears broadly in alignment with this and it looks fair to me. BPF asked Mr F to confirm the details of his car.

Mr F said his car is a 0.9 L petrol engine. So based on the government advisory rates he will get back 12 pence a mile. Therefore, if my calculations are correct Mr F will get back £17.28 (36 miles x 0.12 = £4.32 x 4 visits) in fuel costs plus interest in accordance with the methodology below.

Putting things right

As set out below.

My final decision

I uphold this complaint and direct Clydesdale Financial Services Limited trading as Barclays Partner Finance to pay Mr F £400 compensation and reimburse him the fuel costs calculated in accordance with the methodology described above. It should also amend his credit file as directed above.

On the fuel costs BPF should pay Mr F 8% simple yearly interest calculated from 29 October 2023 to the date of settlement. If BPF considers it should deduct tax on this interest award it should provide Mr F with a certificate of tax deduction.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 21 November 2025.

Mark Lancod
Ombudsman