

Complaint

Mr B has complained about a loan Clydesdale Financial Services (trading as Barclays Partner Finance “Barclays PF”) provided to him. He believes that it should not have provided him with the loan as he was reliant on credit.

Background

In March 2021, Mr B sought to purchase electrical goods at a cost of £2,688.00. Mr B didn't pay a deposit and Barclays PF provided Mr B with a fixed-sum loan for the entire amount.

This loan had an APR of 14.9% and a term of 36 months. This meant that the total amount to be repaid of £3,305.88, which included interest, fees and charges of £617.88, was due to be repaid in 36 monthly repayments of £91.83.

One of our investigators reviewed what Mr B and Barclays PF had told us. And she thought that Barclays PF hadn't done anything wrong or treated Mr B unfairly. So she didn't recommend that Mr B's complaint be upheld.

Mr B disagreed with our investigator's assessment and asked for an ombudsman to look at his complaint.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having carefully considered everything, I've decided not to uphold Mr B's complaint. I'll explain why in a little more detail.

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

I think that it would be helpful for me to set out that we consider what a firm did to check whether loan payments were affordable (asking it to evidence what it did) and determine whether this was enough for the lender to have made a reasonable decision on whether to lend.

Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggested the lender needed to know more about a prospective borrower's ability to repay.

That said, I think that it is important for me to explain that our website does not provide a set list of mandated checks that a lender is expected to carry out on every occasion – indeed the regulator’s rules and guidance did not and still do not mandate a list of checks to be used. It simply sets out the types of things that a lender could do.

It is for a lender to decide which checks it wishes to carry out, although we can form a view on whether we think what was done was proportionate to the extent it allowed the lender to reasonably understand whether the borrower could make their payments. Furthermore, if we don’t think that the lender did enough to establish whether the repayments to an agreement were affordable, this doesn’t on its own mean that a complaint should be upheld.

We would usually only go on to uphold a complaint in circumstances where we were able to recreate what reasonable and proportionate checks are likely to have shown – typically using information from the consumer – and this clearly shows that the repayments in question were unaffordable.

I’ve kept this in mind when deciding Mr B’s complaint.

Barclays PF says it agreed to Mr B’s application after he provided details of his income and some information on his expenditure. It says it cross-checked this against information on a credit search it carried out. And in its view, all of this information showed Mr B could afford to make the repayments he was committing to.

On the other hand, Mr B has said he should not have been provided with this loan.

I’ve carefully thought about what Mr B and Barclays PF have said.

The first thing for me to say is that the information provided does suggest Mr B was asked to provide details of his income. As far as I can see, Barclays PF didn’t just rely on what it was told as it cross checked Mr B’s declaration against information from credit reference agencies on the amount of funds entering into his main bank account month. And this suggested that it could be confident that Mr B was receiving the amount he’d declared.

Barclays PF also carried out credit searches on Mr B which showed that he had no significant adverse information - such as defaulted accounts or county court judgments - recorded against him. Furthermore, the active credit accounts that Mr B had were also up to date and being well maintained. So I think that it is fair to say that there wasn’t anything obvious in the information obtained which indicated that the monthly payments might have been unaffordable for Mr B.

As this is the case and bearing in mind everything, I don’t think that Barclays PF did anything wrong when deciding to lend to Mr B – it carried out reasonable and proportionate checks and the information gathered suggested that the relatively low monthly repayment was affordable for Mr B.

In reaching my conclusions, I’ve also considered whether the lending relationship between Barclays PF and Mr B might have been unfair to Mr B under section 140A of the Consumer Credit Act 1974 (“CCA”).

However, for the reasons I’ve explained, I don’t think Barclays PF irresponsibly lent to Mr B or otherwise treated him unfairly in relation to this matter. And I haven’t seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

Overall and having considered everything, I don't think that Barclays PF treated Mr B unfairly or unreasonably when providing him with his loan. And I'm not upholding Mr B's complaint. I appreciate this will be very disappointing for Mr B. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 5 January 2026.

Jeshen Narayanan
Ombudsman