

The complaint

Miss R complains that Barclays Bank UK PLC lent to her irresponsibly.

What happened

Miss R has had the following loans with Barclays:

	Date	Amount	Term	Repayment	Purpose
Loan 1	7 November 2018	£3,000	36 months	£101.98	Consolidation
Loan 2	13 March 2019	£6,700	60 months	£182.45	Holiday / Loan 1
Loan 3	15 September 2019	£7,500	36 months	£282.60	Holiday / Loan 2
Loan 4	18 February 2020	£8,100	36 months	£309.96	Consolidation

On 2 January 2025, Miss R complained to Barclays. She said she believed the bank had lent to her without conducting adequate checks. She said her current account showed she was experiencing difficulty, and she was up to her limit on her credit card – also with the bank. To resolve her complaint, Miss R asked Barclays to refund interest and charges she paid on the loans, plus statutory interest.

Barclays looked into her complaint and issued a final response letter. It said it felt each loan had been affordable for Miss R and that it had lent to her responsibly. It didn't uphold her complaint.

Miss R didn't accept Barclays' response, so she referred her complaint to our service. One of our investigators looked into it. She felt the checks Barclays did for Loan 1 were reasonable, but felt it should have done more to verify Miss R's income for the later loans. But overall, she felt even if it had done more, it would still have agreed to lend. Our investigator didn't uphold the complaint.

Miss R didn't agree with our investigator, so as there was no agreement, the complaint has been passed to be for 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.

There are time limits for referring a complaint to the Financial Ombudsman Service, and Barclays says the complaint about Loan 1 was referred to us too late. Our investigator explained why she felt it was reasonable to interpret the complaint as being about an unfair relationship as described in Section 140A of the Consumer Credit Act 1974 (s.140). She explained to both parties why that meant the complaint had been referred to us in time. The remaining loans were all taken within the time limits allowed, so there is no dispute that we can look at those.

For the avoidance of doubt, I agree with our investigator that I have the power to look at Loan 1 under s.140 and therefore we can look at the whole of this complaint. I acknowledge

Barclays still doesn't agree we can do so, but as I don't think it should be upheld, I don't intend to comment on this further.

Given what Miss R has complained about, I need to consider whether Barclays' decision to agree Loan 1, or its later actions, created unfairness in the relationship between them such that the bank ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Miss R's relationship with Barclays is therefore likely to be unfair if it didn't carry out reasonable affordability checks and doing so would have revealed its lending to be irresponsible or unaffordable, and if it didn't then remove the unfairness this created somehow.

Our investigator has set out the checks Barclays carried out for each loan including detail of the calculations it made. As those calculations haven't been disputed, I don't intend to repeat that level of detail here, but I will comment on them briefly before going on to deal with Miss R's objections to our investigator's findings.

The calculations carried out for each loan relied on data contained in her bank statements and statistical modelling. Data such as income, council tax and utilities, are listed in Barclays evidence as '*transactional*' meaning it took them from her bank statements. Other data such as rent and living expenses was taken from statistical modelling.

For each loan, Barclays calculated Miss R had a monthly disposable income of at least £780. So on a purely pounds and pence basis, the loans appeared to be affordable for her.

Barclays checked Miss R's credit file on each occasion too and, where there was credit elsewhere, it was up to date. Miss R also kept up to date with payments to each of these loans and repaid Loan 4 early in May 2022.

It appears from her current account statements that Miss R did use the loans for their intended purpose of consolidation and holiday use. I note too that she transferred some of the money to various ISA's. Miss R has provided some statements for the ISA's albeit not many from the time she took the loans or while they were in existence. But the fact she was able to transfer money there – even perhaps for a short time – doesn't indicate to me that she was struggling financially.

So all things considered, I think Barclays carried out reasonable and proportionate checks into Miss R's applications. It is clear that it considered the performance of her current account with it and was satisfied that the loans were affordable for her.

Miss R's objections to our investigator's view centre on her financial vulnerability and vulnerability due to mental health issues following a difficult early start in life. She's shared more detail than I want to here, as my decision will be published, and I thank her for that.

In terms of her financial vulnerability – she's quoted her age, lack of a safety net and reliance on credit - I don't think her circumstances are particularly unusual. In my experience, many people of her age have limited savings and are at a stage in life where they are happy to take on the risk of credit in order to have the experiences they wish. I note that two of the loans were in part at least, for holidays. I can see from the up-to-date credit file she has provided as part of this investigation, that she now has little credit and has a very good credit score.

I've seen nothing in her evidence or that provided by the bank, which makes me think it ought to have been aware of her other vulnerabilities. And I think even if it had known about

the problems she's described, I don't think the bank would necessarily have refused to lend to her on that basis.

Miss R has provided information following a subject access request she made to the bank, which she says shows problems such as payday lending, persistent unarranged overdraft usage and unpaid items. The payday lending she refers to, took place well before this chain of loans commenced, as did the unarranged overdraft usage. In the months leading up to Loan 1 (and since it was agreed) Miss R's account ran in credit. She did have the occasional unpaid item but most of these again are historic.

There was a bounced direct debit to her Barclaycard just prior to Miss R's payday in October 2018 which she made up a few days later. This was a week or so before Loan 1 was drawn. But the loan was to repay the Barclaycard and made the cost of borrowing much less expensive, and there was significant discretionary spend on her account. So I don't think it ought to have concerned Barclays overly when assessing her application. From Loan 1 onwards, her account ran more smoothly, and I've not seen any signs of unauthorised overdrafts or unpaid items due to a lack of funds.

I realise my decision will come as a disappointment to Miss R, but I hope that my explanation is helpful.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 14 January 2026.

Richard Hale
Ombudsman