

The complaint

Barclays Bank UK PLC trading as “Tesco Bank” provided Mr F with a personal loan for £21,000 in April 2024 with 60 monthly payments of around £450. Mr F says the credit was provided irresponsibly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts aren't in dispute, so I'll focus on giving the reasons for my decision. This isn't meant as a discourtesy to the parties but is merely a reflection of the informal nature of our service. I have read and considered all of the evidence in its entirety, in order to reach 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.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr F's case.

I've decided the credit was provided fairly – and I'll explain why.

Tesco Bank's affordability checks showed Mr F had plenty of disposable income, even after taking into account this new lending. Its credit check showed Mr F had been managing existing credit well.

Whilst Mr F says he overstated his income on the application, Tesco Bank verified this amount using credit bureau data. So, I'm satisfied it was reasonable for it to have relied on the amount declared. I'm also satisfied it was reasonable for Tesco Bank to have relied upon estimates, or statistical data for Mr F's living expenses. This is common practice and based on what Tesco Bank's checks showed, I haven't seen anything to suggest Mr F's spending was likely to be significantly different from the average.

In addition to this, Mr F had declared the purpose of this loan for refinancing existing debt. On this basis, it's reasonable that Tesco Bank would have assumed his likely disposable income figure would have increased further. I know Mr F says even if this was the case, he would be indebted for longer by taking out this loan. But that isn't a reason in itself for Tesco Bank not to lend here. And, although Mr F says he was in a cycle of refinancing, this was his first loan with Tesco Bank so there wasn't any established pattern of unsustainable lending with it, at least not at that point. So, I don't think Tesco Bank acted unreasonably by providing this loan.

So, overall, I'm satisfied the checks Tesco Bank carried out before providing the credit were reasonable and proportionate and the lending fair, given the amount of credit provided and what it knew about Mr F's financial situation. There was nothing to suggest Mr F was unlikely to be able to sustainably repay what he was being lent.

I appreciate the reality of Mr F's situation may have been very different. I've seen evidence that his monthly income was in fact lower than what he declared for example. And I'm sorry to hear that he was or is in a debt-cycle. I know he feels Tesco Bank should have done more at the time about this. But for the reasons I've explained, I'm satisfied Tesco Bank was entitled to rely on the information it found at the time of lending and that it wasn't wrong to provide this loan.

Although Mr F says he's had other complaints upheld, our service considers each case on its own merits, and I am not bound by an Investigator's opinion or another Ombudsman's decision.

In all the circumstances of this case, and for the reasons explained, I don't uphold this complaint. I know this isn't the outcome Mr F was hoping for. But I'm not asking Tesco Bank to do anything to put things right.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Tesco Bank lent irresponsibly to Mr F or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

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 Mr F to accept or reject my decision before 19 March 2026.

Sophie Kyprianou
Ombudsman