

The complaint

The estate of the late Mr W complains that Barclays Bank UK PLC, trading as Tesco Bank, shouldn't have lent to Mr W. The estate is being represented in this complaint by Mr W's ex-wife.

What happened

Mr W applied to Tesco Bank for a loan in July 2017, his application was accepted and a loan of £23,000, repayable over seven years by monthly payments of £303.48, was made to him. Mr W applied to Tesco Bank for another loan in February 2019, his application was accepted and a loan of £22,000, repayable over eight years by monthly payments of £280.36, was made to him and the July 2017 loan was repaid. Mr W applied to Tesco Bank for a third loan in May 2022, his application was accepted and a loan of £21,500, repayable over seven years by monthly payments of £293.08, was made to him and the February 2019 loan was repaid.

Mr W sadly took his own life in January 2025. His ex-wife complained to Tesco Bank about the loans in April 2025, but it didn't uphold the complaint. It described the checks that it had made and said that the information that it had at the time of each application didn't raise any concerns or alert it to any potential financial troubles, so it didn't consider that it had acted unfairly or irresponsibly. Mr W's ex-wife wasn't satisfied with its response so the complaint was referred to this service. As the July 2017 and February 2019 loans were made more than six years before the complaint was referred to this service, Tesco Bank didn't consent to this service reviewing the assessments for those loans. Mr W's ex-wife then confirmed that the estate was happy for this service to consider a complaint solely about the May 2022 loan.

The complaint about the May 2022 loan was looked at by one of this service's investigators who, having considered everything, didn't recommend that it should be upheld. She thought that it would have been reasonable for Tesco Bank to have conducted further checks to verify Mr W's financial circumstances to ensure that the loan was affordable. She considered what proportionate checks would have shown Tesco Bank if they'd been done and said that Mr W was left with sufficient disposable income and she didn't think that it was wrong for Tesco Bank to have provided the loan.

The estate hasn't accepted the investigator's recommendation, so I've been asked to issue a decision on this complaint. Mr W's ex-wife says that Tesco Bank may have not been in full receipt of Mr W's situation at the time, but the May 2022 loan compounded his debt that he couldn't afford to repay. She also says that the loan was for seven years and a lot can change in seven years, so Tesco Bank should also have checked affordability after issuing the loan.

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 W applied to Tesco Bank for a third loan in May 2022. Tesco Bank says that he declared a net monthly income of £3,300 and that it used information that he supplied along with data from the credit reference agencies and estimated living costs from the Office of National Statistics to estimate living costs. It says that an affordability assessment was then completed using an automated process which included comparing that information against its lending criteria.

Tesco Bank was required to make reasonable and proportionate checks to ensure that any lending to be made to Mr W was sustainably affordable before making the loan to him. I've seen no evidence to show that Tesco Bank verified Mr W's income and this was Mr W's third loan in less than five years and he was agreeing to make repayments of £293.08 for seven years. I consider that reasonable and proportionate checks would have required Tesco Bank to have verified Mr W's income and to have obtained more detailed information about his spending. I don't consider that the checks that Tesco Bank made were reasonable and proportionate in the circumstances of the loan, so I've considered what Tesco Bank was likely to have discovered if it had made reasonable and proportionate checks.

Tesco Bank says that its credit checks showed that Mr W had a total of £27,949 unsecured debt, made up of £1,757 for revolving debt and loan balances of £26,192, and he was paying £478 each month towards his loan balances. It says that he had a reasonable income to debt ratio, a low indebtedness score and it has estimated that he would have had approximately £836.44 of net disposable income after meeting his monthly commitments.

Mr W's ex-wife has provided some of Mr W's bank statements and the investigator looked at those statements for February to April 2022, the three months before he entered into the loan agreement. I don't consider that Tesco Bank was required to review Mr W's bank statements as his income could be verified, and information about his spending could be obtained, in other ways, but the statements are a good source of information about Mr W's income and expenditure.

The investigator used the information from those statements to conduct an income and expenditure assessment which showed that Mr W's average monthly income over that period was £3,226 and his average monthly expenditure on direct debits, mortgage repayment, maintenance payments and credit commitments was £2,405. She concluded that he would have been left with sufficient disposable income to cover other expenses.

The May 2022 loan was a top-up loan, so £14,457.78 of it was used to repay the February 2019 loan and £7,042.22 was new lending. I consider that if Tesco Bank had verified Mr W's income and had obtained more detailed information about his spending, it's likely that it would have concluded that a loan with a monthly repayment of £293.08 would have been sustainably affordable for him at the time of that loan.

These are tragic events and I sympathise with Mr W's ex-wife for what has happened, but I have to make a decision on what I consider to be fair and reasonable in the circumstances and whether or not Tesco Bank made a fair lending decision. For the reasons given above, I consider that the loan was likely to have been sustainably affordable at the time that it was made to Mr W and that Tesco Bank made a fair lending decision.

Mr W agreed to the loan being repayable over seven years and I'm not persuaded that Tesco Bank acted unfairly or unreasonably in making a loan to him that was repayable over seven years. Tesco Bank wasn't required to make any further affordability checks after the loan was made to Mr W. If Mr W was unable to make the monthly loan repayments, I consider that it would be reasonable to expect him to have contacted Tesco Bank and it would be required to respond to any financial difficulties that he was experiencing positively and sympathetically. Tesco Bank has confirmed that Mr W never indicated to it that he was

in any financial difficulty.

I've also considered whether Tesco Bank acted unfairly or unreasonably in some other way, including whether its relationship with Mr W might have been unfair under section 140A of the Consumer Credit Act 1974. Having done so, I've not seen anything that makes me think that that was likely to have been the case.

I've carefully considered all that Mr W's ex-wife has said and provided about this complaint, but I'm not persuaded that it should be upheld. I appreciate that my decision will be disappointing for her, but I find that it wouldn't be fair or reasonable in these circumstances for me to require Tesco Bank to write-off or reduce the outstanding loan balance or to take any other action in response to this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr W to accept or reject my decision before 12 February 2026.

Jarrold Hastings
Ombudsman