

The complaint

Mr S complains that Barclays Bank UK PLC ("Barclays") irresponsibly provided him with two personal loans in August 2018 for £11,000 and in February 2020 for £15,000 which he couldn't afford and which he considers was irresponsible.

As the first loan was granted over six years ago and would normally be outside our jurisdiction unless certain criteria was met, Barclays have consented to us considering both loans it approved.

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.

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.

Having done so, I've come to the same conclusion as to that of our investigator and for broadly the same reasons.

I'm aware that I've summarised this complaint above in less detail than it may merit. No discourtesy is intended by this. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual argument to be able to reach what I think is the right outcome. I will, however, refer to those crucial aspects which impact my decision.

Lastly, I would add that where the information I've got is incomplete, unclear or contradictory, I've to base my decision on the balance of probabilities.

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 S's case.

Overall I've decided the credit was provided fairly because:

- I am unable to say whether the checks Barclays conducted were proportionate for the first loan approved in 2018 due to having insufficient information. I say this as Barclays have been unable to provide any information from that time due to data retention periods and Mr S has been unable to provide us with his bank statements from that time. Consequently, given the lack of information available to me I'm unable to say if Barclays made a fair lending decision for the first loan.

- However, although I agree with our investigator about the checks Barclays conducted for the second loan and don't think they were proportionate, on balance I think it made a fair lending decision for the second loan. I say this as Barclays would have considered how Mr S had managed the repayments for his first loan and given the information Mr S provided, he appeared to have a sufficient enough disposable income remaining each month to be able to afford the second loan.
- Barclays didn't just simply accept what Mr S said. It carried out credit searches which showed that Mr S had no recent adverse information on his credit file. I don't think that it was unreasonable to rely on Mr S's declarations after it confirmed his income and expenditure which suggested that the repayments were affordable. So I think the repayments for the loan, in the absence of any concerning evidence, appeared affordable.
- I haven't seen any evidence that would suggest to me that Mr S was suffering financial difficulty at the time of each application. I say this as from his credit report he had no recent adverse information which suggested he was managing his other credit commitments well. Although he did have another loan from another provider, that was settled after the second loan was approved and which was commensurate with Mr S stating this second loan was for debt consolidation.
- I accept that Mr S appears to be suggesting that his actual circumstances may not have been fully reflected either in the information he provided, or the information Barclays obtained.
- However, I've not seen any evidence that Mr S made Barclays aware of these circumstances until he made his complaint to it and nor would it have been evident from the information it obtained. As part of the application process, Mr S was asked if he knew of anything at the time or in the future that might make him think the loan was unaffordable. As Mr S didn't respond the loan was automatically approved without the need to refer it to an underwriter to assess the application manually.
- But it's only fair and reasonable for me to uphold a complaint in circumstances where a lender did something wrong. Given the amount of the monthly repayments, the disposable income that appeared to be left each month and the lack of other obvious indicators of an inability to make the monthly repayments in the information Barclays did obtain, I don't think that reasonable and proportionate checks would have extended into requesting the information that would have shown Mr S's personal circumstances at the time. I say this as Barclays were already aware of how Mr S had maintained his first loan repayments and noted that there wasn't any adverse information on his credit file prior to approving the second loan.
- I don't think Barclays acted unfairly in any other way.

This means I don't think Barclays did anything wrong when it provided the second loan to Mr S.

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 Barclays lent irresponsibly to Mr S 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.

I know this isn't the outcome Mr S hoped for. But for the reasons given above, I'm not asking Barclays to do anything to put things right.

Although I'm not upholding this complaint, I'd like to remind Barclays of its ongoing responsibility to treat Mr S with forbearance and due consideration moving forward.

My final decision

My final decision is that I'm not upholding Mr S's complaint about Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 May 2026.

Paul Hamber
Ombudsman