

complaint

Company A complains that Barclays Bank PLC did not provide it with the support that it should have done which caused it to fail.

background

Barclays did not lend Company A the full amount that it requested in 2007 and refused to lend it more money in 2009 until the first loan had been repaid. Barclays then did not lend Company A the full amount that it requested in 2011. Company A says that Barclays' business manager changed frequently and that Barclays demanded payment of its overdrawn balance in August 2012, cancelled its direct debits and gave notice to close its accounts. Company A says that all of this caused it to fail. It complained to Barclays but was not satisfied with its response so complained to this service.

The adjudicator did not recommend that this complaint should be upheld. He concluded that it was a matter for the commercial judgement of Barclays to decide whether or not to lend and the amount of finance it would offer Company A. He also concluded that Barclays had acted properly in its dealings with Company A.

Mrs H says that Company A's loan applications should have been considered under the government's small business guarantee scheme. She says that Barclays did not properly consider the serviceability of the loans or her proposal to lend some of the money to the company. She says that Barclays did not comply with the agreement to reduce the company's overdraft and that it did not propose a revised lending agreement. She also says that Company A was not given enough notice of the closure of its account.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

It is a commercial decision for a bank to decide whether or not to lend to a customer and, if so, on what terms. This service does not normally interfere with a bank's legitimate commercial decisions. Barclays made commercial decisions that it did not want to lend Company A the full amounts that it had requested. I am not persuaded that there is any basis on which it would be fair or reasonable for me to interfere with those decisions. I do not consider that it was necessary for Barclays to consider the government's small business guarantee scheme.

It is clear that Barclays was concerned about the viability of Company A and it took steps to recover the money that was owed to it by Company A. I am satisfied that it was reasonable for it to do so and that it then gave the required notice that it was closing Company A's account. I am not persuaded that Barclays has acted wrongly in its dealings with Company A and I therefore do not consider that it would be fair or reasonable for me to require it to take any action in response to Company A's complaint.

my final decision

For these reasons, my decision is that I do not uphold Company A's complaint.

Jarrold Hastings
ombudsman