

complaint

Mr R complains that his loan agreement with Clydesdale Financial Services Limited, trading as Barclays Partner Finance, was unaffordable for him. He's being helped with his complaint by his daughter.

background

Mr R signed a fixed sum loan agreement with Barclays Partner Finance in November 2015 to finance a car purchase. He complained to Barclays Partner Finance in about June 2016 that it shouldn't have lent to him because the loan was unaffordable. He also complained that he was pressurised into taking out the loan. He wasn't satisfied with its response so complained to this service.

The adjudicator didn't recommend that this complaint should be upheld. Although Barclays Partner Finance's final response letter to Mr R said that he was an employed home-owner, its records are correct and show that he's retired and a tenant. Barclays Partner Finance had provided evidence to show that it did assess the affordability of the loan and it checked Mr R's credit file. And she noted that Barclays Partner Finance couldn't agree to provide the full loan amount, which she said showed that it was acting responsibly. She didn't have enough information to show that Mr R was pressured by the dealer into taking out the agreement. And if he didn't think he could afford the loan, she said that he could've objected.

Mr R's daughter – on his behalf - has asked for this complaint to be considered by an ombudsman. She says, in summary, that:

- Mr R wasn't provided with a copy of the loan agreement;
- his income was shown as £27,000 but was only £17,000;
- Mr R paid a £400 deposit to the dealer but wasn't provided with a receipt for it; and
- Mr R was coerced into taking out the loan by the dealer who falsified the information on the application form to Barclays Partner Finance to obtain the loan.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

Mr R signed the loan agreement in November 2015. Immediately above his signature the agreement says:

"Signing this agreement means you:

- *have received a copy of your pre-contract credit information (if you have not, you should ask for it);*
- *are entering into a legally binding agreement to keep to the terms and conditions shown;*
- *agree that the date of this agreement is the later of the two dates shown beside the signatures below;*
- *authorise us to collect repayments using the details shown in the bank or building society direct debit instruction; and*

- *agree to us processing your personal information in the way set out in the 'How we use your information' document (we may vary this document from time to time and the most up-to-date version will be available on our website)."*

The monthly payment of £465.12 was set out on the agreement. And by signing the agreement Mr R accepted that he would make those payments. He says that the payments weren't affordable for him and that Barclays Partner Finance didn't properly assess the affordability of the loan.

But Barclays Partner Finance's records show that it did check the affordability of the loan. Its records show that Mr R was retired, a tenant and had an income of £27,000. It did incorrectly say in its final response letter that Mr R was an employed home owner – but that seems to have been an error – and I'm not persuaded that the loan was made to Mr R on that basis. Nor am I persuaded that it was provided with information to show that Mr R's income was only £17,000. Barclays Partner Finance also checked Mr R's credit file to assess the affordability of the loan. And the dealer confirmed to Barclays Partner Finance that it had provided pre-contract credit information to Mr R, it had explained the loan to him and that Mr R had been given a copy of the loan agreement.

Barclays Partner Finance didn't consider that Mr R's initial application was affordable for him as it declined to lend to him the full amount that he'd requested. But a loan for a lower amount was agreed. He was able to make the monthly payments that were due to Barclays Partner Finance – but stopped making the payments in about May 2016 when I understand that he took out another loan to pay for a car for his wife.

For these reasons I'm not persuaded that there's enough evidence to show that Barclays Partner Finance didn't assess the affordability of the loan for Mr R. And I consider it to be more likely than not that it properly assessed the affordability of the loan and considered that it was affordable for him at the time that the loan was made. Nor am I persuaded that there's enough evidence to show that Mr R was unfairly pressurised into taking out the loan by the dealer.

So I find that it wouldn't be fair or reasonable for me to require Barclays Partner Finance to reduce Mr R's outstanding balance or to accept lower payments from him. But if Mr R is experiencing financial difficulties, Barclays Partner Finance is required to respond to those difficulties positively and sympathetically. So I suggest that Mr R contacts Barclays Partner Finance to see if an affordable repayment arrangement can be agreed.

my final decision

For these reasons, my decision is that I don't uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 21 April 2017.

Jarrold Hastings
ombudsman