

complaint

Mr B brings a complaint on behalf of his limited company about Barclays Bank PLC. He said that it did not renew or increase a loan facility as it said it would.

background

The company agreed to take a loan with a five year term in 2008. Barclays was not prepared to refinance the full loan when it expired. Mr B said that the members of staff he dealt with had told him that this would be possible and that the amount could be increased. Instead the company borrowing has had to be refinanced to a third party at a higher interest rate margin.

The adjudicator did not recommend that the complaint be upheld. She said that:

- She thought it was likely Mr B was told that there was a good chance of the loan being renewed or increased when it expired.
- This was based on information and market conditions at the time.
- She did not think that Barclays had given any absolute guarantee.
- The company was given an extended period to refinance the loan and the interest margin was not increased during this time.
- The company had made a separate claim about the mis-sale of a related interest rate hedging product which was not being considered here.
- Even if that product had been found to be mis-sold that did not mean that this loan was.

Mr B did not agree and wanted his complaint to be reviewed by an ombudsman. He said that no consideration was given to how the loan would be repaid other than by extending it further.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The adjudicator has set out all the main issues in this complaint and I agree with her conclusion. The company was offered and accepted a loan with a five year term. It was clear from the facility letter that this was due for repayment at the end of the period. If the company had wanted and agreed a longer term then this would have been reflected.

I don't doubt that members of staff at Barclays were positive about the loan continuing and the borrowing of the company expanding. The loan agreed in 2008 already allowed for additional drawing which was taken. But, I'm afraid that such statements made to Mr B including one quoted in an email- *"...I'm sure we will meet again when your borrowings increase."* -did not amount to a binding commitment.

my final decision

I understand Mr B thinks Barclays has not acted in good faith here. But for the reasons I've given my decision is that I'm not able to uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B on behalf of the company to accept or reject my decision before 6 November 2015.

Michael Crewe
ombudsman