

## **complaint**

Mr and Mrs L have complained about irresponsible lending by Barclays Bank Plc. They also complain that Barclays did not respond to letters they sent about their complaint in October 2011 and June 2012.

## **background**

In 2002 Mr and Mrs L took out a mortgage with Barclays over a ten year term. The mortgage included a reserve facility that enabled Mr and Mrs L to take out additional borrowing.

In 2007 Mr and Mrs L switched their mortgage to a lifetime tracker at 0.29% above Barclays' base rate. In 2008 the term of the mortgage was extended until January 2016.

During the term of the mortgage, the reserve facility increased as the mortgage balance reduced. However, sums borrowed under the reserve facility were subject to a higher rate of interest than was payable under the mortgage. In November 2007, Mr and Mrs L borrowed a further sum from Barclays by utilising the reserve facility.

All or part of the money borrowed by Mr and Mrs L was invested in shares that have decreased in value. Mr and Mrs L say that Barclays lent them money at a time when they did not have a business or income which they say was irresponsible.

Mr and Mrs L wrote to Barclays to complain in October 2011 and June 2012. Barclays says that it has no record of receiving these letters.

In February 2013 Barclays instructed a representative to visit Mr and Mrs L even though they had made a payment in respect of the reserve facility ten days earlier. They say that this has caused them unnecessary stress.

## **my findings**

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

I have seen a copy document relating to the mortgage application made by Mr and Mrs L in 2002. According to this document, Mr and Mrs L were both in receipt of an income. The amount borrowed by Mr and Mrs L was less than three times their stated joint income. On that basis, I do not consider that it can be said that Barclays lent irresponsibly.

It was Mr and Mrs L's decision to take advantage of the reserve facility offered by Barclays. It does not seem to me that I could reasonably say that Barclays should be held responsible for losses suffered by Mr and Mrs L as a result of their decision.

I can understand why Mr and Mrs L would like the amount borrowed under the reserve facility to be added to their mortgage so that they pay a lower rate of interest on that borrowing. However, I do not consider that I can reasonably compel Barclays to change the terms upon which it offered the borrowing to Mr and Mrs L.

Barclays has explained its failure to respond to Mr and Mrs L's letters by saying that it has no record of receiving them. On the basis of the information that is available to me, I do not think that I could reasonably conclude that Barclays did receive these letters and that it should compensate Mr and Mrs L for failing to respond.

It seems to me that it was reasonable for Barclays to arrange for a representative to visit Mr and Mrs L in January 2013. Although it would have been possible for Barclays to cancel the visit after it received payment from Mr and Mrs L, I do not consider that it would be reasonable for me to require Barclays to give redress to Mr and Mrs L for its failure to do so.

**my final decision**

My final decision is that I do not uphold this complaint.

Charles Bacon  
**ombudsman**