

## **complaint**

Mr Y complains that Barclays Bank Plc (the bank) 'missold' him two loans which it should have known he could not repay.

## **background**

The two loans were granted in quick succession, the second one repaying the first and being around £2,000 greater. Mr Y has a medical condition which makes it hard for him to manage his finances. He says the bank should in any case have realised he was not in a position to duly repay the loans.

Our adjudicator upheld the complaint and recommended, among other things, the bank forgo all interest on the debt.

The bank again defended its handling of the loans and asked for this review of the complaint by an ombudsman.

Mr Y, via his representative, largely agreed with the adjudicator's view but he has asked me to consider a number of factors which he thinks the adjudicator paid insufficient attention to. These include – among other things - the unequal relationship between the parties, the bank's failure to comply with the Lending Code, and the very damaging effect the bank's actions have had on his life.

## **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 find myself largely agreeing with the adjudicator's conclusions. He is particularly right that the bank failed to take enough account of Mr Y's past handling of his finances, as the Lending Code requires. It appears the loans – certainly the first one – were 'sold' to Mr Y, and there is a particular onus in such a case for the bank to assess affordability properly.

On the face of it, Mr Y's points in response to the adjudicator's assessment were apt for reinforcing the adjudicator's conclusions, but their main intended purpose was no doubt to argue for a more generous reduction of the debt. I have carefully considered this but overall I think the adjudicator reached the right conclusions here too.

Mr Y had the benefit of the loan funds, however fleetingly, and indeed he spent the money on himself. While it is right the bank should not profit from the loans, it is also fair in my view that Mr Y should repay at least what he borrowed. As always, the bank must act positively and sympathetically when recovering the debt from Mr Y.

**my final decision**

Barclays Bank Plc must accept just the capital borrowed in full satisfaction of the debt owed by Mr Y. The parties should agree an affordable repayment plan to achieve this. And Barclays must also reduce the debt by £50 for service issues, as recommended by the adjudicator.

Roger Yeomans  
**ombudsman**