

complaint

Mr W complains that Barclays Bank PLC has irresponsibly given him a loan which was unaffordable.

background

Mr W applied for a Barclays loan in November 2016 for £11,100 with monthly repayments of £208.41. He says that loan was unaffordable and proper checks weren't carried out. He also says that earlier on that year his Barclays mortgage application was turned down, which shows the loan also should've been turned down.

Mr W also says he has a gambling problem which Barclays knew about. He initially said that wasn't the reason for his complaint, but now suggests that was a factor Barclays should've considered.

Barclays says its lending criteria for mortgages and loans are different. It says its systems automatically calculate eligibility for loans using a number of factors. It also says Mr W has made all of the loan repayments and his account was well run. Barclays accepts there was a delay in dealing with Mr W's complaint and has offered £150 compensation.

Mr W complained to us and our investigator didn't uphold his complaint. He thought Mr W had a regular income and there wasn't any evidence to suggest Mr W was in financial difficulties. He also thought Mr W had used the loan to repay other debts.

Mr W doesn't accept that view and would like Barclays to write off the loan and return the payments he's made.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've come to the same overall conclusions as the investigator. I realise Mr W will be disappointed by my decision.

I've not seen Mr W's mortgage application, but I don't think that Barclays made a mistake by considering a later loan application. I'm satisfied that a different criteria for a loan would apply. As the amounts involved are likely to be significantly different, and over a much shorter period.

I'm also satisfied that Barclays has lent responsibly. I accept that its systems look at a number of factors before making a decision to lend. I can also see that in the months before the application, Mr W's account was generally well run with only one occasion where he exceeded his £300 overdraft limit. And Mr W was working and received a regular wage. I can also see that Mr W has made all of the loan repayments since December 2016. Mr W hasn't provided me with any evidence of financial difficulties and his account continues to be well run.

I appreciate Mr W says he has gambling problem. I've looked through Barclays records but I can't see any evidence that it was told by Mr W of any gambling or medical issues when the loan was approved. I've looked through Mr W's statements and can see that there are gambling transactions. But I wouldn't have expected Barclays to refuse a loan just on that basis. I also think that it's up to Mr W what he spends his money on.

So I don't think Barclays has made a mistake. And in those circumstances I can't fairly order it to either write off the loan or return the payments Mr W has made. I would expect Banks to act positively and sympathetically to cases of financial hardship. And in this case, I'm satisfied Barclays has tried to assist Mr W by providing details of its financial hardship team.

Barclays didn't deal with Mr W's complaint as it should. But I think the compensation it's offered of £150 is fair and reasonable, and will leave it to Mr W if he wishes to accept it.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 October 2017.

David Singh
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