

## **complaint**

Mr R complains that Barclays Bank Plc approved two personal loan applications that he made in 2014 when he *“was not in a capable state of mind”*. He is not able to make the monthly repayments and says Barclays should *“write-off”* the debt.

## **background**

Between September 2013 and February 2014, Mr R took out three loans with Barclays totalling £10,000. These three loans were repaid without any problem.

In March 2014, Mr R took out two personal loans with Barclays using a mobile banking website. And he didn't have any discussions with Barclays during the loan application process. The two loans totalled £16,000 and were for a period of five years. He says he spent most of the money on gambling websites over the course of 3-4 weeks, but was then unable to meet his loan repayments.

Mr R says he has been diagnosed with *Bi-polar affective disorder*, and he says that this means that he wasn't in a *“fit state of mind”* to take out either loan in the first place. He says that Barclays should've been aware of his medical condition and should've declined his loan applications.

Barclays says that the loan applications were completed by mobile banking and that there was no discussion between Mr R and Barclays during the application process. It says it was unaware of his medical condition because the loan application didn't require disclosure.

Mr R says that he had an existing relationship with Barclays and that it should've known about his medical condition. But Barclays says that the nature of that relationship meant that information about his medical condition was kept confidential. It wouldn't have been available to anybody processing or underwriting loan applications.

Our adjudicator didn't think that the complaint should be upheld. Mr R didn't agree. He said that he'd been told that if he didn't understand what he was signing because of his medical condition then Barclays couldn't force him to pay the money back. He asked for an ombudsman to make a final decision.

## **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. Having done so, I've reached the same conclusions as the adjudicator, and for much the same reasons.

There are some strict rules in place to ensure that consumers don't suffer unfair discrimination on the grounds of disability. Even if Barclays had known of Mr R's condition, it might have been unfair for the bank simply to refuse to lend to him on that basis alone.

And Barclays says that Mr R didn't make it aware of his medical condition during the application process for these two loans, or indeed his earlier loans. Mr R says that because he had an existing relationship with Barclays it should've known about his medical condition. But I don't agree. As the bank has said that information was held in strict confidence, I don't think it would – or should – have been available to staff working in teams processing loan applications or administering loan accounts.

So what I need to consider is whether Mr R understood what he was doing when he took out both the loans in March 2014. And I'm satisfied that he did. Although I don't doubt that Mr R has this medical condition, and I've seen medical notes that support what he says; I haven't seen any evidence that confirms that he wouldn't have known what he was doing when he applied for the loans.

So taking into account the evidence and everything that Mr R and Barclays have said I don't think it was wrong for Barclays to lend this money to Mr R.

Mr R told us that he'd spent the money in a very short period of time on gambling websites. And I accept that he may now find the repayments expensive, but this isn't enough of a reason for me to ask Barclays to write off the loans. If he is experiencing difficulties with his repayments, he should now approach Barclays and discuss this with them because under the lending code, Barclays must deal with this sympathetically.

### **my final decision**

For the reasons I have given, my final decision is that I do not uphold Mr R's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Mr R to accept or reject my decision before 22 June 2015.

Andrew Macnamara  
**ombudsman**