

## **complaint**

Mr B complains about the rate he has paid on loans he took with Barclays Bank Plc.

## **background**

Mr B said that he took out a consolidation loan in 2013. He says that he wanted to pay off his credit card account with a new loan, and keep his pre-existing old loan, but Barclays wouldn't do that. So he had to take a consolidation loan which included a previous loan balance and his credit card balance. He said that the rate that Barclays charged for this was much too high. He managed to refinance the consolidation loan in 2014 with Barclays, and get a slightly better rate, but he still thought it was too high. He said he had a good credit rating when he took both loans out, and he thought he should've been offered a lower interest rate.

Mr B wanted Barclays to work out what the rate should've been. He thought that if it should've been lower, then he might already have paid everything he ought to under the loan agreement.

Barclays replied to say that interest rates on loans are calculated for each individual that applies. And Mr B had agreed to pay those rates when he signed the relevant agreements. It didn't think it had done anything wrong.

Our investigator didn't uphold this complaint. He said that Mr B had taken out the loans, and agreed to the terms and conditions. He said that, although he appreciated that Mr B said it wasn't always straightforward to shop around for a loan, he did have the option of going elsewhere if he thought that he could get a better deal somewhere else. Our investigator didn't think Barclays had done anything wrong.

Mr B didn't agree with that. He wrote to us to say that he discussed the loan with Barclays, and had said that some of his debt was already sensibly financed. He said that he didn't want to borrow that much in the first place, he only wanted to pay off his credit card account. He thought that he had been given bad advice. And he said that Barclays had discussed his debt with his company, which was embarrassing and meant that his family started to find out about his debts. He didn't think that Barclays should've done that. He also said that his other debts went up because he was paying too much on this loan. So he still thought that this service, not Barclays, should be working out what rate he should've paid when he took out his loans. And then Barclays should pay him back anything over this that he had paid it.

Because Mr B didn't agree with our investigator the case was passed to me for a final decision.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've reached the same conclusion as our investigator, and for the same reasons.

I think it might help if I explain to Mr B what this service can and can't do. It can look at the advice that Mr B was given when he took out a loan. Mr B says that he was given very poor advice when he took out this loan. He now says that Barclays told him it would damage his credit rating if he tried to deal with his debts by contacting his credit card company instead of

taking a loan. But Barclays says that it didn't give Mr B any advice, and he took this loan out over the internet.

Because this was a long time ago, I can't be sure what was said to Mr B when he took out his first loan. I think it is likely that Mr B did speak to Barclays at some point, and was told that it would offer him a consolidation loan that combined his existing loan debt and his credit card debt, but it wouldn't give him a separate, second loan that just covered his credit card debt. Mr B has consistently said that Barclays said that. I don't think that Barclays did anything wrong if it told him that.

Mr B doesn't seem to have mentioned anything about separate advice about the effect on his credit rating of talking to his credit card company until recently. He now seems to be saying that Barclays effectively threatened him with what would happen if he didn't take this loan. That seems to me to be an important point, and I would've expected Mr B to raise that either in his original complaint to us, or his letters to Barclays. And because he didn't do that, I think it is less likely that Mr B was given that separate advice in the way he now remembers.

Mr B now wants this service to recalculate his loan, based on the interest rate that we think he should've paid. But this service treats decisions that banks make about whether to lend money to customers, and how much to charge if they do, as business decisions. We don't usually interfere with those. And I can't see anything in this case to make me think that I should depart from that usual approach. So I won't ask Barclays to recalculate the interest on Mr B's loan.

Mr B also said that Barclays had spoken to his boss about his debts, because he said the people he works for were discussing how he financed his car. I don't know what information that the company Mr B works for had about his finances. I haven't seen anything in this complaint to make me think that any such information originally came from Barclays. So I don't uphold that part of Mr B's complaint.

I know Mr B will be disappointed, but I don't think this complaint should be upheld.

### **my final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 November 2017.

Esther Absalom-Gough  
**ombudsman**