

complaint

Mr T complains that Barclays Bank Plc has mis-sold two loan agreements to him. He wants Barclays to write off the money owed by him as a result. He also wants his adverse credit ratings removed.

background

Mr T applied for a loan in May 2012. He says Barclays told him that a loan could not be obtained for gambling purposes, the reason he gave. He says he was told that if the reason was for a holiday, it could proceed. He said it was and was granted the loan. He made a second application in June 2012 for a loan again saying he wanted the money for a holiday. The bank no longer has any record of the phone conversations that took place between Mr T and its staff about why he wanted a loan on each occasion. Mr T did not raise any concern with Barclays during the 14 day cooling off period. In our adjudicator's view this would have been a reasonable step, if he had concerns about what the loan agreement entailed or about the information he had given as part of his application, at the outset.

As part of each loan application, Barclays carried out specific checks to ensure it was satisfied Mr T was able to make the repayments on the account. Barclays has showed it carried out credit checks, reviewed previous account turnover and activity and checked that personal, employment and commitment details were up to date. As a result it was happy to lend to Mr T. Our adjudicator was satisfied it had done enough to establish affordability and make sure the loan provided met Mr T's needs at the time. Our adjudicator found that from reviewing Mr T's account for the period six months before and after each loan, even after expenditure, it was evident that credits into the account were sufficient for Mr T to afford the loan repayments.

Barclays agreed a payment plan of £10 a month for three months in 2013, when Mr T approached it because he had financial difficulties. Then when Mr T was unable to make these repayments, it was willing to add the arrears on to the end of the loan and extend the term, to assist him.

Our adjudicator found that this action demonstrated that Barclays had remained positive and sympathetic during the time Mr T had been facing difficulties, and that it could not have been expected to do any more in all the circumstances.

Barclays has offered, as a gesture of goodwill, to pay Mr T £100 for distress and inconvenience caused by delay in dealing with his complaint. Mr T did not agree with the adjudicator's conclusions.

my findings

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

It is clear to me from the checks that Barclays undertook before granting each loan that it acted responsibly. It checked that the proposed loans were affordable and that Mr T was able to make repayments. There are no phone recordings of Mr T's conversations with its staff; but if Mr T was concerned about mis-information in his applications, then it is reasonable to expect him to have raised this before now. He has not.

As there is nothing within the records available to put the bank on notice, and Mr T failed to raise the issue, like the adjudicator I cannot agree that Barclays has done anything wrong. Therefore I do not uphold the complaint that Barclays has acted irresponsibly or mis-sold the loans.

Turning to Mr T's financial difficulties, when a customer is facing financial difficulties, this service does expect the bank to respond in a positive and sympathetic way. The bank should try to assist the customer as much as it can. Again the evidence Barclays has provided demonstrates that it has done so and that the credit reference entries are an accurate record of the default in monthly payments.

In its response to this service in May 2014 Barclays accepted that it had taken too long in dealing with this complaint. It offered to pay £100 for distress and inconvenience. In my view this offer is fair and reasonable.

my final decision

My final decision is that I uphold this complaint in part only. Barclays Bank Plc should pay Mr T £100 for the distress and inconvenience it caused, in full and final settlement of this complaint.

Janine Allen
ombudsman