

complaint

Ms M complains that Barclays Bank PLC mis- sold her a personal loan. She's had ongoing money problems since taking out the loan. To resolve her complaint she'd like Barclays to write off debt she owes the bank.

Ms M has other complaints about Barclays, and these are being investigated separately. I'm just dealing here with the sale of the personal loan. Another ombudsman will come to an independent view on Ms M's other complaints.

background

Shortly after Ms M took out the loan in 2003, it was consolidated with other borrowing. Ms M is concerned that the loan wasn't affordable and unsuitable for her when she took it out.

Due to the passage of time, there's only limited information now available. Barclays told Ms M it only keeps records for six years and doesn't now have details of her application or terms of agreement. So it couldn't complete a full investigation into her complaint. But it offered Ms M £50 for its delay responding to her.

Our adjudicator was sympathetic. But he explained that, under the rules that apply, banks aren't required to keep information or paperwork indefinitely. And where there's a dispute about what took place he had to decide what seemed most likely in the circumstances.

His view was that the bank would've completed an affordability assessment before agreeing the loan. And it would've provided Ms M with an agreement which she would've had to sign and return before the money was released. He also took into account that Ms M's had the benefit of the loan. Overall, our adjudicator felt it was reasonable to expect Ms M to repay the money she'd borrowed. And he thought that Barclays' offer of £50 compensation for its delay issuing a final response letter to Ms M was fair. So our adjudicator didn't recommend upholding Ms M's complaint.

Ms M feels very strongly that the loan wasn't affordable and says it should've never been offered to her as that was the start of the financial mess she's still in today. She's sent in details of her income and expenditure at the time. Ms M says she was spending more than 50% of her income on consumer credit and a mortgage. She feels the loan wasn't suitable, the risks weren't explained, and the product wasn't right for her.

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 sympathise with Ms M and I can understand why she's worried about her financial circumstances. But, like the adjudicator, based on the available information, I'm not persuaded I can fairly and reasonably require Barclays to take any further action in these circumstances.

I say this because I have to look impartially at the available information. I've no reason to doubt that Ms M is sure about everything she's told us. But I can't uphold this complaint just on the basis of what Ms M says.

Barclays hasn't been able to produce any information and/or documents regarding this account. That's unsurprising given the length of time that has passed. So, like the

adjudicator, I've thought carefully about what's most likely to have happened, based on the evidence I've got and taking into account the wider circumstances.

Ms M told us she only got into a financial mess when she took on the loan. But I can't fairly say, based on what she's told us, that this means Barclays must have mis-sold her the loan – or that it wasn't suitable for her.

There's nothing to suggest that the bank didn't follow its normal lending process. So it seems unlikely to me that it would've agreed this loan if it wasn't satisfied that Ms M had provided information to show she could afford the monthly repayments. Ms M says she'd been managing to pay her bills and commitments since 2001. And that she had some money left over each month. She told us she used the money to pay for some home improvements. So, on balance, I don't feel I can say that the lending was unaffordable or unsuitable for her at the time.

I've taken into account that Ms M found it difficult to keep up with her monthly repayments shortly after taking out this loan and so she decided to re-organise all her borrowing. But I don't feel this is sufficient evidence for me to uphold her complaint and it doesn't change my view. If Ms M had been concerned when she took out this loan that she couldn't afford it, I don't think it's likely that she'd have signed up to the agreement. If Ms M hadn't understood what she'd have to pay for the loan until her monthly repayments started going out, I think she would've complained about this then. And if the loan wasn't suitable for her needs and circumstances when she was offered it, I think she'd probably have looked at different borrowing options at the time.

I agree with our adjudicator that Barclays' offer to pay Ms M £50 for the delay dealing with her complaint is fair and reasonable.

my final decision

For these reasons, I don't uphold this complaint. I simply leave it up to Ms M to decide if she wants to accept the offer made by Barclays Bank PLC (in its final response letter sent to her in June 2015) to pay her £50.

Under the rules of the Financial Ombudsman Service, I am required to ask Ms M to accept or reject my decision before 5 November 2015.

Susan Webb
ombudsman