

## **complaint**

Mr R complains that Barclays Bank Plc was irresponsible in giving him 4 loans at a time when he was a compulsive gambler. He wants the loans and interest written off and his credit file adjusted.

## **background**

Mr R applied to Barclays online and succeeded in getting 4 loans which totalled £16,000. Due, he said, to his addiction he'd soon used the money and was unable to pay back the loans and the interest due. He complained to Barclays saying that they should have known that he was an addicted gambler and not granted him the loans. Mr R stopped making payments and Barclays registered a default on his credit file as a result. In his most recent email to our investigator he set out the effect that the financial concerns have had upon his life and how he is now being helped and, in turn, is helping others in Gamblers Anonymous.

Our investigator looked at all the material that was provided by both Barclays and Mr R. Barclays pointed out that, in the period prior to the loans being granted, there were only 3 obvious pieces of gambling on his account and each was for about £50. There had been larger spending than that on gambling a couple of years before but that was, *'much too old to be of relevance to new decisions'*. The investigator came to the conclusion that Mr R hadn't told Barclays that he was an addict. But she felt that the speed at which he gained the loans should have raised concern for Barclays that he may have had less control over his finances.

Had Barclays considered what was going on they might not have agreed to all of the loans. However, our investigator felt that Mr R had had the use of the money and Barclays shouldn't have to write the loans off. She took the view that Barclays shouldn't benefit from the situation and that it was fair to remove the interest on the loans leaving the basic loans to be repaid.

Mr R wasn't happy with that view and asked for an ombudsman to look at the case.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In email correspondence Mr R said that he had disclosed that he was an addict when he went to a branch in 2011/2012 but he hadn't put it in writing. Unfortunately, there is no record of his having raised it in branch. In addition, although Mr R states that he was, and still is, an addict he hadn't provided any evidence to Barclays at or close to the time of his taking out the loans that stated that to be the case.

Also, the loans could only be granted if Mr R had specified income and expenditure that would have made them affordable to him. Mr R gave reasons for wanting the loans to include a car, a boat and a caravan. Unless those items were very cheap the fact that he wanted the individual sums for these purchases might well have appeared unlikely to match the cost of them if there had been further examination of his applications. And, it seems to me, one questionable loan might have led to querying the others. I don't think that Barclays carried out proportionate checks on these applications because, if they had, they would probably have flagged up the inconsistencies and gone back to Mr R for his explanations. It

seems that the assessment carried out was based solely on figures that Mr R supplied which indicated that he could afford the total sum loaned to him.

In my view Barclays acted responsibly for the most part. However, the acquisition of so many loans in such a short period of time and the concern that could have been raised about the ability to comfortably pay the loans back means that Barclays should have been on the alert. In addition, of course, as Mr R is a Barclays' customer that means that they would have had access to his account when he applied. And, in turn, looking at his account would have highlighted that he had other borrowing coming in from, for example, another company in March 2016 for £1,900. That may have led to the conclusion that Mr R wasn't giving an accurate account of his income and expenditure.

It's always upsetting when someone feels trapped by decisions that they regret, especially when they have long-term effects. I can quite understand that Mr R feels, in effect, that he needed to be protected against himself to avoid this kind of situation. But Barclays was not substantially at fault because it wasn't put on alert in relation to Mr R's problem, even though his acquisition of so many loans in quick succession might have raised concerns about his ability to repay them all.

Barclays acted responsibly and the entry on the credit file is a sensible precaution. As the adjudicator pointed out, it's accurate and, *'it will offer a form of protection for both you and other lenders in future to avoid a similar situation occurring'*. That seems to me to be an outcome that both Mr R and Barclays both want.

I, too, think that although Mr R should pay the loans back he should not have to pay interest in addition. As that is an outcome that Barclays is in agreement with I do not uphold Mr R's complaints.

### **my final decision**

For the reasons given above I do not uphold Mr R's complaints.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 27 December 2017.

Jeremy Lindsay  
**ombudsman**