

## **complaint**

Mr L complains that Barclays Bank Plc ("Barclays") acted irresponsibly when it lent to him.

## **background**

In December 2012, Mr L took out a loan with Barclays for £10, 900. That loan was restructured in November 2014 and Mr L borrowed £9, 500 with an APR of 14.9%. He then took 2 smaller loans of £1, 100 in November and December 2014. Both with interest rates of 26.9%. Mr L says Barclays acted irresponsibly lending to him because he was already overdrawn. He says the loans were unaffordable. Also the APR of 26.9% on the last 2 loans was too high. Mr L believes he should've been able to borrow the last 2 loans at the same 14.9% rate.

Mr L also says a branch adviser told him they wouldn't have lent him the additional loans if he'd applied in branch. Mr L would like his outstanding debt written off.

Barclays says Mr L passed its affordability checks for each loan application. It accepts Mr L was given unprofessional advice in branch as the adviser shouldn't have said they wouldn't have lent to him. Barclays says the same lending criteria and the same interest rates would've applied in branch and on-line. But as Mr L was misled by an adviser, the bank paid him £100 in compensation.

Our adjudicator considered the complaint and decided not to uphold it in respect of irresponsible lending. Our adjudicator agreed that Barclays had misled Mr L by the information he was given in branch and agreed £100 was fair and reasonable compensation for this. Mr L doesn't agree with this view so the matter has come to me for a 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.

Barclays was entitled to consider Mr L's request for each loan. But it had a duty to lend responsibly to him. It was up to the bank to decide what affordability criteria to apply and what level of risk it was prepared to take when it lent money. I'm satisfied Barclays assessed the affordability of each loan based on the information Mr L gave them. And he passed the checks in respect of each loan.

I appreciate that Mr L had an overdraft facility but as our adjudicator explained, it doesn't automatically mean he couldn't afford the loan repayments. Having looked at the records of Mr L's account, I can see he met the monthly repayments when the loans were taken out and continued to do so. The figures suggest the lending was affordable based on his income and outgoings. And I can see Barclays has looked again at the activity on Mr L's account around the time each loan was applied for. I also can't see that Mr L told the bank he was in financial difficulty before the loans were taken.

As our adjudicator has explained, it is for Barclays to decide the interest rates it charges and it is entitled to exercise its own commercial judgement when setting them. The interest rate was clearly set out in each loan agreement Mr L took out, so he was aware of it each time and chose to accept the loans on these terms.

Mr L says he thinks the bank should've asked him to go into the branch to apply for the loans. But Mr L didn't have to apply online and I've taken into account that the same lending criteria and interest rates would've been available in branch. Mr L also says he was young when he took out the loans, but I wouldn't expect the bank not to lend to him because of his age, provided he was over 18 years of age. So I can't see it did anything wrong here.

I can see Mr L has said he would've preferred the last 2 loans to be at 14.9%, but Barclays says that rate wasn't available to Mr L at the time. And I can see the bank decided not to lend any more to Mr L when he made a request for another loan at the beginning of 2015. So it didn't lend to him indefinitely.

I understand that Mr L feels strongly about this complaint but I don't think Barclays did anything wrong here. And I can see that Mr L has had the benefit of using the loans.

I agree with our adjudicator that Mr L was misled by branch staff when he was told he wouldn't have been granted the loans in branch. But I can see Barclays has already paid Mr L £100 for any distress caused by this. I think that's fair and reasonable in the circumstances. I've also listened to the call recording in which Mr L raises his complaint with the bank. I agree with our adjudicator that the adviser doesn't agree Barclays was irresponsible in lending to him.

It's not clear what Mr L's financial position is now, but I remind Barclays it must treat him positively and sympathetically if it's aware he's finding his debts difficult to manage.

### **my final decision**

For the reasons given, I am not upholding this complaint in respect of the irresponsible lending. And Barclays Bank Plc has already paid Mr L £100 for the comments made in branch, so it doesn't need to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 14 December 2015.

Sarah Tozzi  
**ombudsman**