

## **The complaint**

Mr O complains Barclays Bank UK PLC removed his overdraft facility and made him repay it with a loan – without his consent.

## **What happened**

Mr O had an overdraft facility on the current account he holds with Barclays. In late 2018, his account was over £11,000 overdrawn, and Barclays were concerned with Mr O's level of indebtedness. So, they discussed his financial circumstances and ability to repay his overdraft. From August 2019, Barclays suggested his overdraft be removed, and Mr O repay his outstanding balance with a Resolve loan with a 0% APR. The paperwork was sent to Mr O in November 2019 and the loan was put in place (and overdraft removed) in January 2020.

In April 2023, Mr O complained to Barclays and explained the Resolve loan was taken out without his consent. Barclays investigated Mr O's concerns and issued their final response about a week later. They explained they'd discussed the loan with Mr O in November 2019 as he hadn't been making regular payments to reduce his overdraft. And in January 2020, Mr O had told them he had sent back the paperwork for the loan. So, it was after this date the loan was opened. Therefore, they didn't agree Mr O's complaint should be upheld. Mr O remained unhappy, so he referred his complaint to our service.

Our Investigator didn't uphold Mr O's complaint. She explained she'd seen evidence that suggested Mr O had agreed to take out the loan and would have received correspondence from Barclays that confirmed the loan was in place.

Mr O disagreed with our Investigator, so his complaint was passed to me for a final decision.

## **What I've decided – and why**

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

Having considered everything, I'm not upholding Mr O's complaint. I'll explain my reasoning below.

Mr O has said he never consented to taking out a loan to repay his overdraft. He's asked Barclays several times for a copy of his signed agreement to prove they had his authority to open a loan in his name. However, they've been unable to provide this. I can understand why Mr O feels having a copy of this signed agreement is important, but in the absence of it, I've had to base my decision on the other pieces of evidence that are available from the time to determine what I consider most likely happened.

Barclays has sent us copies of their contact notes for Mr O's account. These show that Barclays were in communication with Mr O about exceeding his overdraft limit and putting a plan in place to reduce it. This is supported by the information I've seen on Mr O's statements that show his account was more than £11,000 overdrawn from December 2018

and there were instances where charges were being applied for unpaid transactions. This persuades me that Mr O was struggling to manage his overdraft at that time, and in such circumstances I would expect a financial business, like Barclays, to take steps to offer him support.

The evidence on file shows Barclays was in fairly regular contact with Mr O about his overdraft balance, and in August 2019 his overdraft was temporarily increased as he now owed more than £12,000. Also, a balance reduction plan was put in place until November 2019 with the aim to try and get his overdrawn balance closer to £11,000 again.

While the balance reduction plan was in place, the contact notes show Barclays discussed the Resolve loan with Mr O – and in early November 2019 the loan paperwork was sent out to him. However, he explained he wanted time to think about it before committing to taking out the loan. Barclays spoke to Mr O again in late November 2019. The notes show that during this call Mr O explained he needed to read through the agreement and do calculations, so he hadn't returned the paperwork. Mr O reiterated his position remained the same in early December 2019, but in early January 2020, there's a call note that details Mr O told Barclays he had returned the resolve loan paperwork to them in December 2019. And it was around a week after this date that the Resolve loan was opened, and the overdraft facility removed from Mr O's account.

Given the contact notes were created at the time discussions were taking place, I consider they can be used to determine what most likely was discussed between Mr O and Barclay's in 2019 and early 2020. So, I'm persuaded it's more likely than not that Mr O did agree to take out the loan to repay his overdraft.

I'm further persuaded this is the case because I've also seen a copy of the agreement that would have been sent to Mr O's address at the time. This details the loan was in place, the term of the loan and the fact a standing order had been set up for the repayments. This was sent to Mr O in mid-January 2020, so if Mr O hadn't agreed to the loan I consider a reasonable consumer would have raised a complaint about it at the time – however, Mr O didn't raise his complaint about this loan until April 2023.

I've also seen contact notes from April and November 2020 in which Mr O discussed the possibility of a payment holiday for the loan. And a further note from July 2020 when he called Barclays to make a payment towards the loan. These pieces of evidence again persuade me that Mr O was not only aware of the Resolve loan, but that he was taking steps to actively manage it. So, this alongside the collection letters Mr O would have received when his loan fell into arrears, demonstrate that he and Barclays were in communication about the loan.

I appreciate it would be helpful if Barclays were able to provide a signed copy of the loan agreement. However, I don't agree the absence of this signed copy means I must decide the loan was taken out without Mr O's consent. I've seen sufficient evidence to persuade me Barclays only approved the loan after they received Mr O's consent to do so - and they communicated with him about the loan once it was in place. As such, I don't consider Barclays treated Mr O unfairly.

Mr O's loan is now with a debt collections agency (DCA) following the arrears that accrued between April 2022 and October 2022, when the loan was eventually defaulted. As such, Mr O will now need to communicate with the DCA directly regarding the outstanding balance that is still owed.

I know this isn't the outcome Mr O hoped for. However, for the reasons above, I'm not upholding his complaint.

**My final decision**

My final decision is that I'm not upholding Mr O's complaint about Barclays Bank UK PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 21 February 2024.

Sarrah Turay  
**Ombudsman**