

The complaint

Mr B has complained that Barclays Bank UK PLC trading as Barclaycard acted irresponsibly when it provided him with a credit card in 2017 and then subsequently increased his credit limit in 2018.

Background

Mr B applied for a credit card from Barclays in 2017. His application was successful, and he received a card with a credit limit of £800.

The following year Mr B's credit limit was increased to £1,200. He has said the card, and in particular following the credit limit increase, was unaffordable. Mr B has explained that following ill health in 2018 he has had to stop working and has been signed off as having a limited capability to work. He has had to move back into his parent's home and says he's unable to repay the outstanding balance on the account. He wants Barclays to write off the balance and refund him all of the interest he paid since the inception of the account.

He has also said that Barclays never responded to the complaint he logged with it via its app in December 2022.

Barclays has said that it completed all relevant affordability checks at the time of the initial application and when the limit increase took place in 2018. It has said based on what Mr B told it at the time, as well as the information gathered from credit reference agencies, it had no reason to think the credit card would be unaffordable for him. So it didn't uphold his complaint.

Mr B then brought his complaint to our service. One of our adjudicators looked into it. She found that although the checks run by Barclays may not have been sufficient, there was no evidence available to show that the lending was unaffordable. And so she couldn't prove that Barclays was wrong to provide the credit card or increase its limit. So she didn't uphold the complaint.

Unhappy with the adjudicator's response Mr B asked for an ombudsman to review his complaint and so it's been passed to me to consider.

My Findings

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

Having done so I agree with the findings reached by our adjudicator and for much the same reasons. I appreciate Mr B will be disappointed with this and so I want to explain why I've reached the conclusions I have.

When Mr B applied for his credit card online in July 2017 there were some discrepancies between his declared income and the information available to Barclays via the credit reference agency it used. However, Barclays has said it took this into consideration and

provided Mr B with a relatively low opening limit.

I agree that at this point it may have been pertinent for Barclays to have done some additional checks to ensure the card would be affordable. However, it's unclear what outcome these checks may have had at that time. Neither Mr B nor Barclays has provided us with any bank statements from 2017 or other evidence that might have indicated that at the time he applied for the credit card Mr B would've struggled to meet the repayments. So even though I think some additional checks may have been appropriate, there's nothing to say these checks would've shown the lending was irresponsible. So, I can't uphold Mr B's complaint on this basis.

Barclays has said that following the account being opened in mid-2017, Mr B didn't actually begin to use the card for another 10 months. Then between summer 2018 and late 2018, when the balance was increased, Mr B managed the card well. There were no missed payments and he stayed within this limit.

When he applied for the limit increase in November 2018 Barclays again did a check with a credit reference agency and saw no evidence of missed payments or defaults on that. And as the card had been well managed and payments made on time, said there was nothing to indicate Mr B would struggle with the increased limit.

I appreciate Mr B has told us his circumstances had dramatically changed at this point in time; he had experienced a period of serious ill health and was no longer able to work as he had been previously. However, none of this information was available to Barclays at the time and it's unclear from Mr B's own testimony whether or not he had clarified the change in circumstances before applying for the increased credit limit.

I've also not seen any evidence from Mr B, such as bank statements or a credit file, that shows he was struggling with his finances or that there was anything on his credit file that would've alerted Barclays to the fact that the new limit may not be sustainable for him. And because I have no evidence to show that was the case, I can't uphold his complaint against Barclays on that basis.

Mr B has also said that he never received a response to his initial complaint from Barclays and that this caused him a lot of additional stress at a time when he was already experiencing serious ill health and upset. I'm sorry this is the case but Barclays has provided us with a copy of the letter that was sent in December 2022 and so I am satisfied that it replied to Mr B's complaint. I don't doubt Mr B when he says he never received the response, but I am satisfied that Barclays sent one.

Finally Mr B has said that he has brought similar complaints to this service about other forms of credit he received around the same time and that these were upheld despite him not being able to provide bank statements or additional supporting evidence. I'm unable to comment on the findings in other cases as we look at each complaint on its own individual merits. However I will say that different forms of credit may require different types of checks and considerations and that in this case I've considered the types of checks I'd expect a business like Barclays to complete when providing consumers with access to its credit card. I've not seen anything that says Barclays was wrong to provide Mr B with the credit card when it did, or indeed to increase the card's limit in 2018. And so I can't uphold his complaint.

My final decision

For the reasons set out above I don't uphold Mr B's complaint against Barclays Bank UK PLC trading as Barclaycard.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 October 2023.

Karen Hanlon
Ombudsman