

The complaint

Mr M complains that Barclays Bank UK PLC reduced his credit limits.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so I'll focus on giving the reasons for my 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 looked through everything, I agree with the latest outcome reached by the investigator. I know this isn't the outcome Mr M was hoping for, so I will explain why I'm not able to ask Barclays to reinstate or increase his credit limits.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it, it's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

The terms and conditions of Mr M's accounts state that Barclays can change a credit limit at any time. These terms were accepted when Mr M took out the card and are standard across the banking industry.

A bank won't give any notice when they reduce a credit limit. This is because they don't want to risk customers spending credit they may not be able to repay. Mr M said that Barclays didn't write to inform him of the decrease but sent a text message instead. We asked Barclays about this, as the terms do state that they should write. Barclays responded with information to show they wrote to Mr M on 7 and 23 December 2022, and that the letters were sent before the text messages. So I'm satisfied they followed the correct process in letting Mr M know about each decrease.

I understand Mr M's frustration given the amount his limits have been reduced by. I've also taken into consideration what he has said about his financial circumstances being in such a good place over the past 45 years. I also note that the default was applied in error and has since been removed. But even so, I can see that Barclays referred the matter to their manual underwriting team following the decreases, to see whether they could reinstate each of the limits. The underwriting team said they wouldn't be able to reinstate either limit because their affordability assessment suggested that an increase was unaffordable at that time.

Because Barclays acted in line with the conditions of the accounts, and because they then asked their underwriting team to manually check to see whether any increase could be

applied, there isn't anything further I can ask them to do.

Barclays have said that Mr M can apply for an increase on each card six months after the date of each decrease. Given the decreases took place in December 2022, this is something Mr M can do now if he wishes. It would involve a credit search and would be subject to a new application though.

Overall, while I do appreciate Mr M's arguments, and while I can understand his frustrations, I'm unable to ask Barclays to reinstate, or increase the limits on each of his cards.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 21 September 2023.

Danielle Padden
Ombudsman