

## **The complaint**

Mrs M complains that Barclays Bank UK PLC reduced the credit limit on her credit card without telling her even though she has a good credit score.

## **What happened**

Mrs M had a £2,500 credit limit on her credit card, but this was reduced to £150. She says she only became aware of the reduction when she tried to make a payment in December 2023, and it was declined. When Mrs M contacted Barclays she was told her credit limit had been reduced due to her credit report but when she contacted the credit reference agency, she was told she had a good credit score. Mrs M contacted Barclays and was told there were two late payments reported but she wasn't aware of these. She then received a letter saying the credit limit was reduced due to the bank's lending and risk criteria.

Barclays issued a final response letter dated 15 December 2023. It said Mrs M's credit limit was reduced from £2,500 to £150 on 11 December 2023 because of its lending and risk criteria and a letter was sent to Mrs M to inform her of this. The letter explained that when reviewing a credit limit, it takes into consideration information held with the credit reference agencies and that its assessment of risk is continually evolving. It said the correct decision had been made and it wasn't prepared to reinstate Mrs M's previous credit limit at that time, but that Mrs M could get in touch in four months' time and it could attempt a limit increase then.

Mrs M wasn't satisfied with Barclays' response and referred her complaint to this service.

Our investigator didn't uphold this complaint. She said she wasn't able to require Barclays to provide any more information than it already had about its decision to reduce Mrs M's credit limit. She said that Barclays had issued a letter dated 7 December 2023 about the limit reduction and noted the account terms and conditions allowed for a credit limit to be reduced without notice. Based on this our investigator didn't think Mrs M had been treated unfairly.

Mrs M requested that her complaint be considered by an ombudsman.

## **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.

I understand why Mrs M was upset that her credit limit was reduced, and I appreciate the upset and inconvenience she was caused when she attempted to make a transaction on 12 December 2023, and this was declined. But for me to uphold this complaint I would need to be satisfied that Barclays had done something wrong or treated Mrs M unfairly.

I have looked at the account terms and conditions and these say that the credit limit will be reviewed from time to time and that if the credit limit is changed then the customer will be informed. Barclays has said that a letter was sent to Mrs M on 8 December to inform her that her credit limit would be reduced on 11 December. Unfortunately, it doesn't seem that Mrs M

received this notification before 12 December when she tried to make a payment using her credit card and this was declined as the transaction would have taken her account above the new credit limit of £150. I understand the upset this will have caused but as Mrs M was sent a letter about the change in advance of this taking place, I do not find I can say Barclays did anything wrong regarding telling Mrs M about the reduction to her credit limit.

It is a decision for Barclays about who it lends to and how much and while I accept the terms of the account allow for the credit limit to be changed without notice, I have considered the action taken by Barclays and whether this was fair and reasonable.

Barclays has explained that it regularly reviews accounts, and this is what would be expected of a lender to ensure the credit remained appropriate for the customer. Mrs M's account was reviewed and based on the information Barclays received from the credit reference agencies the decision to reduce the credit limit was made. I have noted Mrs M's comment about her having a good credit score (and the copy of her credit report she has provided supports this) and her not being aware of any missed payments. Barclays has also noted no issues with Mrs M's payment record on its account. However, it has provided evidence that it received information of at least two consecutive missed payments elsewhere on Mrs M's credit report. So, in this case, Barclays received information it has taken action on and explained this to Mrs M. Taking this into account and as the credit limit was reduced to an amount above the outstanding balance at the time, I do not find I can say that Barclays did anything wrong or treated Mrs M unfairly. Because of this I do not uphold this complaint.

### **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 Mrs M to accept or reject my decision before 4 June 2024.

Jane Archer  
**Ombudsman**