

The complaint

Mrs W complains that Barclays Bank UK PLC, trading as Barclaycard, offered to reinstate her credit limit if she closed other accounts she had with them, but when she closed those accounts Barclays didn't reinstate her original limit.

What happened

The details of this complaint are well known to both parties, so I won't repeat them again here. Instead, I'll focus on giving my 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.

I know it will disappoint Mrs W but although I agree that Barclays made a mistake here, I think the compensation they have offered is sufficient. I'll explain why.

Where the information I've got is incomplete, unclear, or contradictory, as some of it is here I have to base my decision on the balance of probabilities.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach what I think is the right outcome.

The decision to advance or withdraw credit is a commercial decision that Barclays are entitled to make. They have an obligation to ensure the credit they advance is affordable for consumers and they will therefore review credit limits on an ongoing basis. I don't therefore think they did anything wrong when they decided, after one such review, to reduce Mrs W's credit limit. It was a substantial decrease, but as Mrs W was only using around 10-20% of the limit and would only be using 50% of the revised limit, I don't think the reduction had a financial impact on her, or that Barclays therefore needed to reduce the limit more gradually.

There's no dispute that Barclay's agent made a mistake when advising Mrs W that she should be able to get her original credit limit reinstated if she closed her other accounts. That meant that Mrs W was deprived of further credit available to her on those accounts, as well as the credit that wasn't reinstated on her active account. But the other two accounts weren't ones that Mrs W was utilising, so it wouldn't be fair to suggest their closure had a financial impact on Mrs W either.

I'd expect Barclay's to compensate Mrs W for the distress and inconvenience they caused when they provided inaccurate advice to her. Given the circumstances, however, I think the £50 they offered was fair and I'm not asking them to take any further action.

My final decision

For the reasons I've given above I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 29 August 2023.

Phillip McMahon
Ombudsman