

The complaint

Mrs L is unhappy that while Barclays Bank UK PLC approved her credit account application, they were only willing to provide her with a credit limit of £200.

What happened

Mrs L applied to Barclays for a credit account and asked to be granted a credit limit of over £14,000. Barclays approved Mrs L's account application and opened a new credit account for her. But they were only initially willing to provide a credit limit to Mrs L of £200 – although they invited Mrs L to provide evidence of her declared income and explained that if she did so they may be willing to raise her credit limit in line with what she was requesting.

Mrs L did then provide details of her income to Barclays. But after receiving this information from Mrs L, Barclays explained to her that they weren't willing to increase her credit limit beyond £200 at this time. Mrs L wasn't happy about this and felt that Barclays were discriminating against her because of her age. So, she raised a complaint.

Barclays responded to Mrs L and confirmed they weren't willing to offer her a credit limit beyond £200 at that time. Barclays also explained that they didn't feel that they were discriminating against Mrs L based on her age as she believed. Mrs L wasn't satisfied with Barclays' response, so she referred her complaint to this service.

One of our investigators looked at this complaint. They didn't feel Barclays had acted unfairly or unreasonably by not offering a credit limit greater than £200 to Mrs L, even following the receipt of the income verification documents provided by her. And our investigator also didn't feel that Barclays had discriminated against Mrs L based on her age. Mrs L remained dissatisfied, so the matter was escalated to an ombudsman 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.

I can appreciate how Mrs L may feel that her financial circumstances are such that Barclays should reasonably be willing to provide her with a credit limit to the level that she's seeking. However, it must be understood that a credit limit isn't a 'right' that a consumer has. Rather, credit is provided to an applicant entirely at the discretion of the credit provider.

In this instance, after receiving Mrs L's application, Barclays were initially only willing to provide a credit limit of £200 to her, although they did invite Mrs L to verify her claimed income with them. This led to Mrs L providing documents to Barclays which she felt did verify her income. But upon receipt of those documents from Mrs L, Barclays weren't willing to increase the level of credit they would provide to Mrs L beyond £200.

Barclays aren't obliged to explain exactly why they're not willing to provide a certain level of credit to any individual. However, as alluded to by our investigator in their view of this complaint, it may have been the case that the documents Mrs L provided to Barclays to

verify the income she'd declared on her application didn't evidence her previously stated income to Barclays' satisfaction. And this discrepancy between the income Mrs L claimed to receive and the income that could be evidenced from the documents she provided may have been a factor in Barclays' decision to only offer a credit limit of 200 to her.

This isn't to say that Mrs L doesn't receive the income she declared to Barclays in her application. And it may be the case that Mrs L could have provided other documents, such as statements to other accounts into which she received income, which might have been more satisfactory to Barclays. But that opportunity for Mrs L to verify her income has now passed. And Barclays have confirmed that when a decision is made regarding a requested credit limit increase, that decision is binding for six months. Notably, given that six months has passed since Barclays made their decision, Mrs L may now be able to apply to Barclays again for an increase to her credit limit.

However, it must be reiterated that there is no guarantee that any application Mrs L may make to Barclays in this regard will be successful. This is because, as explained, credit is provided by Barclays entirely at the discretion of the Barclays. And there are many factors besides verified income which can influence a bank's decision to provide further credit or not to an applicant, and which may also have been a factor in Barclays original decision here.

Mrs L has also explained that she feels Barclays have discriminated against her because of her age. Having looked at all the evidence here I don't feel that Barclays have done so. Nor do I think that Barclay's have acted unfairly or unreasonably. Instead, I think that Barclays have followed the same decision-making process that they apply to all credit applicants, regardless of age. I hope that it helps Mrs L to know that someone impartial and independent has investigated this aspect of her concerns.

I realise this won't be the outcome Mrs L was wanting, but it follows that I won't be upholding this complaint or instructing Barclays to take any further action here. This is because I don't feel that Barclays have acted unfairly or unreasonably by following the process or by making the decisions that they have. I hope that Mrs L will understand, given what I've explained, why I've made the final decision that I have.

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 L to accept or reject my decision before 9 October 2023.

Paul Cooper
Ombudsman