

The complaint

Mr S is unhappy that Barclays Bank UK PLC closed his credit card account.

What happened

Mr S had a credit card account with Barclays that met the criteria to be considered as being in a state of persistent debt. In April 2022, Barclays sent a letter to Mr S advising that his account was now considered to have been in a state of persistent debt for 36 months. In response to that letter, Mr S cleared the outstanding balance on his credit account in full.

However, in August 2022, Barclays wrote to Mr S and explained that they had taken the decision to close his account as they were concerned that he might fall into a position of persistent debt on the account again moving forwards. Mr S wasn't happy about this as he felt that his financial position was good and didn't warrant the closure of his account. Mr S was also unhappy that Barclays hadn't responded to a Data Subject Access Request ("DSAR") he'd made to them in a timely manner. So, he raised a complaint.

Barclays responded to Mr S and confirmed that they were no longer willing to provide credit to him based on their own lending criteria. Barclays also noted that there were no outstanding DSAR requests from Mr S at that time. Mr S wasn't satisfied with Barclays' response, so he referred his complaint to this service.

One of our investigators looked at this complaint. They didn't feel Barclays had acted unfairly by choosing to close Mr S's account as they had. But they felt Barclays hadn't processed Mr S's DSAR request in a timely manner and said that Barclays should make a payment of £75 to Mr S as compensation for the trouble and upset he'd incurred as a result. Mr S 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.

Having done so, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I can appreciate that Mr S is unhappy that Barclays have made the choice to no longer provide credit to him. But it must be noted that the provision of a credit facility to an individual isn't a 'right' that an individual has. Ultimately, it's at the discretion of the credit provider as to whether they are willing to provide credit to any specific individual or not.

When Barclays told Mr S that they would be closing his credit account they explained their decision to do so as follows:

"We've reviewed your account and to help you avoid going back into persistent debt, we'll be closing your Barclaycard."

"We're making this change after reviewing how affordable your credit is, based on what we know about your situation, and data from external credit reference agencies."

As per the above, Barclays haven't cited any objective reason, such as rules or regulatory obligations, as to why they had made the decision to close Mr S's account. And when Barclays responded to Mr S's complaint about this matter, they confirmed that the closure of the account was a decision they'd made based on their own willingness to lend, as follows:

"We no longer felt you account was affordable and that you met our current lending criteria."

As explained, this is a commercial decision that Barclays are entitled to make. And while I can appreciate that Mr S would like to better understand Barclays' decision, Barclays are under no obligation to justify their reasoning to Mr S in the manner that he would like. And in consideration of these points, I'm satisfied that the closure of Mr S's account by Barclays, for the reasons Barclays have explained, isn't unreasonable or unfair.

I'm aware that Mr S feels that Barclays made the decision to close his account as a consequence of a complaint he raised with them previously. But Barclays addressed this point in their response to Mr S's complaint in which they confirmed that that wasn't the case and when they explained to Mr S that they no longer felt that he met their lending criteria, as per the statement quoted above.

Accordingly, I won't be upholding Mr S's complaint regarding the closure of his account by Barclays. This is because I'm satisfied that Barclays were fairly entitled to make the decision to close his account that they did, and I'm also satisfied that Barclays provided fair notice of their intention to close the account via their August 2022 letter.

However, I am in agreement with our investigator that Mr S didn't receive a reasonable standard of service from Barclays in regard to the DSAR he submitted in August 2022. Specifically, I note that Barclays only responded to that request in December 2022 – roughly four months after it was submitted. And because of the delay in responding to that DSAR I'll be upholding this complaint in Mr S's favour and instructing Barclays to make a payment of £75 to him as compensation for any upset and inconvenience that delay may have caused.

In arriving at that compensation amount I've considered the impact of the delay on Mr S. But it must be noted that, regarding DSARs, this service can only consider the delay from a general fairness perspective. I make this point because I'm aware that Mr S is unhappy with the content of the information he's received from Barclays in response to his DSAR. It's been explained to Mr S by our investigator that the relevant regulatory body regarding the content of DSARs is the Information Commissioner's Office ("ICO"). As such, I can only refer Mr S to the ICO if he remains unhappy in this regard.

All of which means that while I will be upholding this complaint in Mr S's favour, I'll only be doing so on a limited basis to instruct Barclays to make a payment of £75 to him as compensation for the delay in responding to his DSAR. I realise this might not be the outcome Mr S was wanting, but I hope he'll understand, given what I've explained, why I've made the final decision that I have.

Putting things right

Barclays must make a payment of £75 to Mr S.

My final decision

My final decision is that I uphold this complaint against Barclays Bank UK PLC on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 23 November 2023.

Paul Cooper
Ombudsman