

The complaint

Mr W complains that Barclays Bank UK PLC (Barclays) removed his overdraft limit.

What happened

Barclays wrote to Mr W in June 2023 telling him it intended to remove his overdraft limit on 28 July 2023 because the income being paid into the account wasn't enough to justify the limit on the account.

Mr W contacted Barclays to appeal its decision on 11 July 2023. He told Barclays he'd been a customer for many years, had savings in a separate account with them and wanted the overdraft to stay in place for peace of mind.

Barclays' call notes show removal of the limit was due to it following responsible lending guidelines. As Mr W wasn't able to give details of any additional income, and refused the option to have a lower limit, Barclays confirmed the overdraft would be removed as set out in its letter.

Barclays also wrote to Mr W on 23 August 2023 to confirm his complaint had been looked at again and the original decision was unchanged.

Unhappy with Barclays' response, Mr W brought his complaint to us. He said he felt the limit was being removed because of the nature of his income and therefore Barclays actions were discriminatory. He also believed Barclays didn't have the right to take away the overdraft without his permission.

One of our investigators considered Mr W's complaint and concluded that Barclays hadn't done anything wrong. They said Barclays were allowed to remove the overdraft limit provided notice was given. They further said there was no evidence to suggest that Barclays actions were discriminatory.

Mr W disagreed with the outcome and spoke with the investigator. He asked that his complaint was reviewed by an ombudsman. He said again that he felt the removal of the overdraft limit was due to indirect discrimination.

The complaint has therefore been passed to me to consider.

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, whilst I appreciate this will come as a disappointment to Mr W, I don't believe Barclays has done anything wrong and therefore I won't be telling it to do anything further.

Barclays choice as to whether or not it agrees or continues an overdraft limit, and at what amount, is a commercial decision for it to make. I can't interfere with that. Here, Barclays has

explained why it made that decision, which is based on the income to the account in comparison to the amount of the overdraft limit. That's a decision it's entitled to take.

So, I've then thought about whether Barclays acted fairly and reasonably in taking this action. In doing so, I considered the Terms and Conditions for Mr W's account which Barclays provided. In these, in section five, under the heading "*When we can close an account or end a service*", there is a further sub-heading on page 21 "*Asking you to pay back your overdraft*". This says

"If you have an arranged overdraft, we can end it at any time and for any reason. We'll give you at least 30 days' written notice and ask you to pay it back."

The terms and conditions also say on page 48

"Responsible lending is important to us, before and after we agree to lend money to you. If we think we should change or remove your limit(s), we'll tell you at the time. We can set a different limit, or cancel the arranged overdraft facility."

So, while Mr W thinks that Barclays can't remove the overdraft limit without his permission, the terms and conditions clearly explain that it can be removed at any time and for any reason provided the correct notice period is given. And Barclays say it reviews lending in line with responsible lending which I think is enough to have suggested to Mr W that it would do this.

I appreciate Mr W feels the length of his relationship and the funds he holds with Barclays should be taken into account. Barclays said the income paid to the account wasn't enough to justify the limit on the account and asked Mr W if the information it held was wrong or if he'd accept a lower limit. Mr W had no other income to declare and didn't want to accept a lower limit. So, Barclays did consider what Mr W had to say – even if this didn't change its mind in relation to its decision.

Notice was given on 9 June 2023 to remove the limit on 28 July 2023, which is more than 30 days' notice. So, Barclays has followed their process correctly and in doing so, I think it has treated Mr W fairly.

Mr W says he feels Barclays discriminated against him given the problems he's experienced. I can understand why Mr W feels this way but having looked at all the evidence I don't think Barclays has done so. Nor do I think Barclays has acted unfairly or unreasonably.

I hope that it helps Mr W to know that someone impartial and independent has looked into his concerns.

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 W to accept or reject my decision before 29 December 2023.

Stephen Farmer
Ombudsman