

The complaint

Mr O complains Barclays Bank UK PLC trading as Barclaycard (Barclays) reduced the credit limit on his credit card account without prior notification.

What happened

Mr O says he held a Barclays Platinum card for some time but the overseas benefits on this card had recently ceased. Mr O says he decided to switch this credit card account to a Barclays Reward account product in January 2023 and a new credit card arrived showing a credit limit of £8,000. Mr O says he did receive a notification from Barclays a few days later advising his old Platinum account limit was being reduced to £1,000 unless he took some action -but as this related to his old card he ignored it as he now had his new Reward credit card account.

Mr O says he took a holiday overseas and when he attempted to use the new Reward credit card it was rejected as he was over his credit card limit which caused embarrassment and he had to borrow money for the rest of the holiday. Mr O says on his return he complained to Barclays and asked for his limit of £8,000 to be reinstated but Barclays declined to do this even though his February 2023 statement had shown he had a £8,000 limit.

While Mr O accepts Barclays have a right to reduce his limit, it should have given him advanced notice. Mr O also says the complaints process was very difficult with long wait times on the telephone. Mr O would like his limit reinstated, a letter of apology and compensation paid for the trouble and upset caused.

Barclays says it reviewed Mr O's Reward account and given the lack of activity it made the decision to reduce the limit to £1,000 and that its records show Mr O was written to regarding the reduction of the credit limit. Barclays says it regularly reviews its credit limits and in line with its terms and conditions took the decision to decrease Mr O's credit limit to £1,000.

Mr O wasn't happy with Barclays' response and referred the matter to this service.

The investigator looked at all the available information and initially upheld the complaint because of a failure of any response from Barclays within the given timescales. However, following Barclays' explanation for the delays and further information being provided the investigator changed his view to a non-uphold.

The investigator says having received the terms and conditions on the credit card account it shows Barclays can alter the credit limit without notification. The investigator says from the information he'd seen Barclays had sent two notifications in January 2023 regarding the account being classed as dormant and the limit being reduced so he was satisfied it made reasonable attempts to notify Mr O of the changes to his credit limit.

The investigator says although Mr O felt Barclays hadn't responded to a letter he sent in April 2023, there was no evidence to show it had been received by them. The investigator felt based on what he had seen, Barclays had acted reasonably when it reduced Mr O's

credit limit.

Mr O didn't agree with the investigator's view and asked for the matter to be referred 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 won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating and upsetting for Mr O to discover his credit card limit had been reduced even though a recent statement he received showed a higher limit still in place.

The first thing to say is that although Mr O was unhappy with the way in which Barclays dealt with his complaint, it's not the role of this service to scrutinise Barclays' complaints process or to tell Barclays how it should deal with complaints more widely. My role is to look at what's fair and reasonable in the individual circumstances of a complaint. So here, when looking at this complaint I will consider if Barclays acted reasonably when it reduced the available credit on Mr O's credit card account.

Both parties have provided this service with comprehensive details of the course of events here and while that has proved helpful, I won't be commenting on every point made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything – I have.

From the information I have seen, Mr O may not have fully understood that when he contacted Barclays on 24 January 2023 to change his credit card type from a Platinum to a Reward style of product, he was maintaining the same credit card account and was simply changing the product type - this created a new credit card with a new number being issued to him. This makes sense as I can't see Mr O submitted a new credit card application for a new credit card account at that time, as it's fair to say this would have needed further assessment by Barclays.

From the back-office records I have seen, Mr O's request to change products, was made the day following a text message Barclays sent to him regarding his credit card account and the limit change, although I can't be certain that is why he contacted Barclays. I can see a letter had been sent to Mr O on 10 January 2023, which Mr O says he received a few days after his request to change the product type, this letter was informing him his limit would be reduced in February 2023, as his account had been dormant for over two years - this was of course the same account he had changed to a Reward style account.

So, to explain, what happened here was the credit card account simply changed from a Platinum card product to a Reward card product, but the underlying credit limit provided by Barclays was in the course of being reduced as it advised in its letter, sent in January 2023.

While I can understand Mr O was of the opinion his limit was £8,000 as he received a statement showing this in February 2023, just as he was going on holiday, this was by coincidence, a day or so before the limit was reduced by Barclays which turned out to be a week later than it advised it would, in its letter sent in January 2023.

It's also worth saying although Barclays did write to Mr O about the limit reduction, it has no

obligation to do so under its terms and conditions under the section 12 – *“Using your account - managing your credit limit”*.

So, although there were some unfortunate timing issues here relating to the notice of the limit change and product type change and also the credit card statement coinciding with Mr O’s holiday, when the limit reduced – I can’t say that was an error by Barclays and I am satisfied it correctly advised Mr O his credit limit was being reduced, for the reasons I have already explained.

While Mr O will be disappointed with my decision, I won’t be asking anymore of Barclays here.

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 O to accept or reject my decision before 14 February 2024.

Barry White
Ombudsman