

The complaint

Mr C complains that Barclays Bank UK PLC trading as Barclaycard irresponsibly allowed him to open a credit card account.

What happened

Mr C says Barclaycard should not have allowed him to open a credit card account and its decision to do so was irresponsible. He says he was in debt at the time and Barclaycard allowed him to use the account for gambling and cash withdrawals. Mr C says the account was unaffordable and as a result of what took place was forced to take out a loan. He would like a large part of the balance written off and interest and charges refunded.

Barclaycard says the account was opened in 2017 and Mr C was earning £12,000 a year with limited outgoings. It says it carried out appropriate checks and says there was no adverse information recorded on Mr C's credit file. It also says he had another active credit card account and used a balance transfer at a promotional rate to transfer that balance onto his new account. Barclaycard says it has no record of Mr C telling it about any financial difficulties but says it will speak to Mr C about them and has provided information about organisations that could help him.

Mr C brought his complaint to us and our investigator didn't uphold it. The investigator thought Barclaycard carried out appropriate checks on the application and it was up to Mr C to decide how he used the account. The investigator didn't think there any evidence Mr C had told Barclaycard about any financial difficulties and thought there no evidence of adverse information on Mr C's credit file.

Mr C doesn't accept that view.

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 have come to the overall view that I don't uphold this complaint. I appreciate Mr C will be disappointed by my decision.

Lenders and credit providers should carry out reasonable and proportionate checks on any credit or lending application. Those checks will of course vary depending on the type and amount of the lending. This complaint is about a credit facility rather than for example a loan or mortgage.

I have looked carefully at Barclaycard's records and can see that it carried out affordability checks on Mr C's application and that it appears at the time Mr C had limited outgoings. I can see that Barclaycard says it also checked Mr C's credit file and that no adverse information such as recent defaults, missed payments or County Court Judgements were recorded on it. Mr C hasn't provided us with a copy of his credit file, and I have no reason to doubt what Barclaycard says about the information on it. So, I'm satisfied that Barclaycard

carried out reasonable and proportionate checks on Mr C's application and that on the face of it, the lending was affordable, and the lending decision was not irresponsible.

There is no doubt that Mr C used the Barclaycard account for gambling. I make clear that at the time there were no restrictions about doing so and that it was up to Mr C to decide how he wished to use the account. I don't think Barclaycard could have known about that before the account was opened unless Mr C told it that he had a gambling problem. And I have not seen any evidence of that. I think on balance it was the gambling that caused the financial difficulties and not the decision to allow the account to be opened.

I'm satisfied Mr C would have agreed to the account terms and conditions about fees and interest when the account was opened. And so, I can't fairly order Barclaycard to refund those charges and fees when I think they were correctly applied. I also make clear to Mr C that even if I thought Barclaycard made a mistake by allowing the account to be opened in the first place, I would not have ordered the balance or part of it to be written off as clearly Mr C had the benefit of that money. And so, it would have been unfair to have done so.

Banks and building societies should treat customers in financial difficulties positively and sympathetically. I can see that Barclaycard has fairly given Mr C contact details of its specialist department and has given him details of other organisations that may be able to assist him. So, I find Barclaycard has acted as I would have expected it to have.

Overall, I find Barclaycard didn't make a mistake by opening the credit card account and carried out appropriate and proportionate checks on it.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 22 June 2021.

David Singh
Ombudsman