

The complaint

Mr B complains that Barclays Bank UK Plc (Barclays) sent him a new credit card after he'd informed it about his gambling problems.

What happened

I've already issued a provisional decision on this case, setting out the background and what I was minded to conclude:

In mid-2016, Mr B's mother Ms B (who is also representing him in this complaint) spoke to Barclays on his behalf about his credit card account. She explained that he had developed a problem with gambling, and so they were reaching out to all his lenders to try to avoid incurring lots of interest.

Mr B gave Ms B authority to speak to Barclays about the account. She explained he'd had gambling problems a year or two earlier (prior to taking out his Barclaycard), but had only run up debts of a few hundred pounds at that time. He now owed around £6,500 – around £2,500 on this card, plus £2,000 on another credit card and around £1,900 on an overdraft.

Ms B explained Mr B was in full time work, living at home, and that she wouldn't be charging him for rent or bills (for a period) to help him get on top of his finances. She confirmed this wouldn't cause her financial difficulty. Barclays put a 30-day hold on interest and charges and blocked any further spending on the card. It also explained that Mr B or Ms B would need to get back in touch at the end of the hold to work out the next steps, otherwise the interest hold would end. It also called Ms B a couple of days later to discuss Mr B's support needs further. Options such as blocking gambling transactions, permanently closing the account, and setting up a basic bank account were discussed.

Mr B didn't get back in touch with Barclays at the end of the hold. Regular payments were made towards the account until Ms B cleared the remaining balance in mid-2017. When Mr B called Barclays about making this payment, it told him this would reactivate the account. There was no further activity until he was sent a new card in mid-2019. He used the card for spending, including gambling transactions, and applied to increase his credit limit – but was declined. The account fell into arrears. Ms B complained that Barclays had sent him a new card count was subsequently defaulted and closed.

Barclays explained that, as the account was open with no restrictions, a new card had been sent automatically when the old one was due to expire. But it agreed to refund the interest and charges applied since Mr B had started using the account again in 2019. It also paid £25 compensation for a missed call during the complaint.

Unhappy with this response, Mr B and Ms B referred the matter to our service. Our investigator didn't uphold the complaint. She thought Barclays had done enough to support Mr B. But he disagrees. Ms B says they want the debt cleared and for Barclays to change how it deals with vulnerable customers.

What I've provisionally 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'm very sorry to hear about the impact of Mr B's gambling problems. I'd like to reassure him that I've taken these sensitive circumstances into account when considering this complaint. Having weighed everything up, I'm not currently persuaded it's fair to hold Barclays liable for the debt he's accrued. I'll explain why.

The crux of Mr B's complaint is about what happened in 2019 – i.e. that he was sent a new card. But I've considered this in context, as Ms B had notified Barclays of Mr B's gambling problems in 2016. There hadn't been any earlier gambling transactions on the account to alert it to his situation. Once Barclays was made aware, I'm satisfied it offered appropriate support. I say this because:

- Barclays immediately blocked interest and charges for 30 days, to give Mr B a breathing space to get back on top of his finances. I consider this a positive and sympathetic response.*
- It also blocked spending on the card, to prevent him from accruing further debts.*
- It offered longer-term options, including permanently closing the account or blocking cash and gambling transactions.*

Ms B was told Mr B would need to authorise any of the longer-term options they'd discussed. Overall, if Mr B wanted to close the account or take other action, I think he (through his representative) had enough information to act on this. It seems they instead opted to keep making payments without using the card to run down the balance until clearing the remainder in 2017. I'm satisfied that was their choice, and not down to failings by Barclays.

It seems Mr B and Ms B may have been under the impression that clearing the balance in 2017 had closed the account. But when he called about making the payment, Barclays did explain that paying off the balance would update the account meaning it would be available for use again. Barclays had also previously told Ms B that he'd need to give his authority to close the account. Generally, clearing a card doesn't close an account – some people choose to pay their balance in full each month, but that doesn't mean they no longer want to use the credit facility. I've seen nothing to suggest that Mr B asked Barclays to close his account, so I think it was correct that it remained open.

At the time of the 2017 call, it may not have struck Mr B as particularly significant that his card would no longer be restricted – as he was no longer using it. And arguably, Barclays could have done more to emphasise the implications of clearing the restrictions given the history on the account. But I must also think about what it's fair and proportionate to expect from Barclays. Ultimately, it had made Mr B and Ms B aware that he needed to authorise any further measures – including closing the account. Given this, I'm not persuaded it should reasonably have done more in the circumstances.

As a result, when Mr B's un-restricted card was due to expire in 2019, Barclays sent him a replacement – which he then used. I know Ms B is unhappy that this was sent due to an automated process, but it's down to Barclays to devise its systems, to allow it to operate its business and provide adequate service to its customers. I don't consider it incorrect that, as the restrictions had been removed, Barclays sent him a new card.

I'd clarify that no further lending was offered at this point. It was just that the existing lending agreement was still in place. And when he applied to increase the limit in late August 2019, he was rejected.

That said, I think there is more that Barclays could have done here. I note a "proactive credit limit decrease" of £100 was applied "by batch" in early 2017. By that point, Mr B hadn't been spending on the account for several months. Then, or later on, Barclays could have significantly reduced his credit limit – given the lack of activity and its knowledge of Mr B's gambling problems. It could also have reached out to him when he started using his card for gambling. So, I've considered whether these are actions Barclays should have taken. And if so, whether the resolution it's offered is enough to address the impact of its failings.

When Ms B complained to Barclays, it agreed to refund all the interest and charges applied since the new card had been sent. That is generally what we recommend when we find that money has been lent when it shouldn't have been. Our starting position is that it's fair for the borrower to pay back the capital they received as they've had the use of that money. And whilst some money was used for gambling, some was used for other purposes – such as buying food and retail purchases.

In hindsight, I think decreasing the credit limit further would have been a great, proactive measure. But that doesn't mean not doing so was a failure. I'm conscious that banks have some legitimate commercial discretion over reviewing their existing lending arrangements. At the time of the small decrease, the account hadn't been out of use for that long and the situation had been left with the expectation for Mr B to get back in touch to decide what he wanted to do in the long term. In any event, Barclays has already refunded all the interest and charges – our usual remedy for irresponsible or unaffordable lending. Any further remedy wouldn't, in my view, fairly reflect that Barclays had already made Mr B aware that he could close the account or authorise new restrictions. So I'm not convinced Barclays needs to do more to put this right.

Similarly, whilst Barclays could have reached out to Mr B about his renewed spending, it took place reasonably quickly – over the span of three months in total, within his credit limit and including non-gambling spending. So there was a limited window for Barclays to intervene. Even if it had, Mr B would still have needed to engage to put in place further restrictions. And he didn't do so back in 2016 when longer-term support options were put forward. So again, I'm not persuaded it's fair to award more than the interest and charges refund already offered.

Whilst I greatly empathise with Mr B's situation, and I appreciate that he and Ms B have been upfront with Barclays about this, I'm conscious the redress he's received means he hasn't been charged for using the lending since receiving his new card. I'm not persuaded it would be fair to direct it to write off all his lending. Mr B was made aware that the account would be left open without restrictions, and he's only being asked to repay what he spent. I'm also satisfied that Barclays showed forbearance, and was sufficiently clear about what else it could do to help, when Ms B told it about the situation. Whilst I appreciate she wants Barclays to change its policy and processes, our role is limited to redressing loss suffered by a customer due to business error. We're not the regulator.

I note Barclays paid £25 compensation for a missed call during the complaint. Our service can't consider issues relating to the handling of the complaint itself so I can't comment on this further.

I appreciate this will be disappointing for Mr B – as well as Ms B, who I can see has done a great deal to support her son through his gambling what I've seen, I'm not minded to direct Barclays to do anything more.

I invited both sides to provide further comments or evidence. Barclays has confirmed it has nothing to add. Ms B says she still considers it irresponsible lending that Mr B was sent a new card. She has explained that he is very vulnerable, and this outcome will have a major impact on him. She's also queried why Barclays didn't reduce his credit limit due to lack of use.

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've reached the same overall conclusions as I did in my provisional decision.

I know Ms B considers it irresponsible lending that Barclays sent Mr B a new card. But, as explained in my provisional decision, no lending was offered at this point. Rather, the original lending agreement was still in place – as Mr B hadn't completed the required steps to end this. So I don't agree that sending a new card was irresponsible lending, nor that it was wrong for Barclays to do this – for the reasons I've set out above.

My provisional decision also explains why I don't think Barclays ought to have lowered Mr B's credit limit. Whilst some businesses may do this after a period of non-use, I consider the particulars of this to fall within Barclays' legitimate commercial discretion – which it would be inappropriate for me to interfere with. I'm also conscious it has already agreed to refund the interest and charges applied since 2019, meaning he hasn't been charged for using the lending facility after the point at which Ms B thinks the limit should have been lowered.

I'm very sorry to hear about Mr B's situation, which I've taken into account when reaching my decision. And I appreciate how disappointing this outcome will be for him. But overall, I'm not persuaded it's fair and reasonable to ask Barclays to do more to put things right. I can only make an award for the impact on Mr B caused by Barclay's errors. As explained above, I'm satisfied Barclays has largely treated him fairly – including the refund it offered in response to the initial complaint.

My final decision

For the reasons given above, my final decision is that Barclays Bank UK PLC has already fairly resolved this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 June 2021.

Rachel Loughlin
Ombudsman