

## **The complaint**

Mr G complains that Barclays Bank UK PLC trading as Barclaycard (Barclaycard) reduced his credit limit.

## **What happened**

Mr G had a Barclaycard with a limit of £22,000. On 29 April 2021, Barclaycard reduced the limit to £17,600.

Mr G complained that Barclaycard had done this, and not given him any notice. He'd paid in £7,000 to the account and planned to pay for his wedding with the available credit on his card – but he couldn't because Barclaycard reduced the limit.

Barclaycard said they reduced Mr G's limit after a review of his account – this included level of borrowing and payment patterns, plus other information from credit reference agencies. And this was in line with their responsible lending policies – they didn't want customers to borrow more than they could afford.

Mr G brought his complaint to us. Our investigator said Barclaycard had acted fairly - they could reduce a customer's limit without notice, and this was in the terms and conditions of the account. He could see that between August 2020 and April 2021, Mr G's account was over its limit for a lot of the time – so he could understand why Barclaycard took its action.

Mr G asked that his complaint be looked at by an ombudsman.

## **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.

Mr G wanted to pay for his wedding and so – with the balance at around £21,400 debit (limit £22,000), he paid in £6,480 on 26 April 2021. This would then have allowed him to pay for his wedding with the available amount in his credit facility. But Barclaycard reduced the limit to £17,600 on 29 April 2021 – so he couldn't. Mr G told us he wanted to pay for the wedding with his credit card so he could get some protection under section 75 of the Consumer Credit Act.

I've looked at what happened. I can see that for a long period of time – before 2020 – Mr G maintained a good account with Barclaycard. He paid much more than the minimum each month and paid off the balance in full on occasions. Generally, outstanding balances were low by comparison with the credit limit – usually much less than half of it throughout 2019. But – in 2020, I can see that borrowing increased, and there were a lot of over limit situations. Monthly payments reduced to the minimum needed, and there were fewer retail purchases – so, I can see why Barclaycard took the decision to reduce Mr G's limit. And Barclaycard told us that they were concerned with Mr G's high level of borrowing.

I looked at Barclaycard's terms and conditions for the card. And they can reduce the limit if they wished – because of their assessment of their lending risk - and didn't have to give prior notice to customers. They say *“If we reduce your credit limit based on an assessment of risk or your ability to repay, we have the right to not give you any notice beforehand if we think this would not be appropriate. (However, we may choose to give you up to seven days' notice). We won't reduce your credit limit to less than your total outstanding balance, plus any transactions authorised but not yet charged to your account.”*

And ultimately, it's Barclaycard's commercial decision whether they wish to lend to a customer, or not – we can't interfere with that. And – we can only make a finding if Barclaycard made an error or acted outside their terms and conditions. And based on what I've seen - I can't say that Barclaycard were wrong or acted incorrectly in what they did.

It's unfortunate that the timing of what happened coincided with Mr G's need to pay for his wedding. But – while Mr G will be disappointed by my decision, I can't ask Barclaycard to do anymore here.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 27 July 2021.

Martin Lord  
**Ombudsman**