

## **The complaint**

F isn't happy with the service it received from Barclays Bank Plc trading as Barclaycard in regard to a number of issues.

## **What happened**

F has a credit account with Barclays. In December 2020, F received notice from Barclays that the credit limit on its account had been reduced from £2,500 to £2,200. F challenged Barclays about this but felt that Barclays were threatening in response. F weren't happy about this, and felt that Barclays were being deliberately obstructive, including fabricating returned mail to put a block on F's account and also later putting a second block on F's account without reason. So, it raised a complaint.

Barclays looked at F's complaint. It confirmed to F that a commercial decision had been made to reduce the amount of credit available to F, and it explained that F's account had been blocked because of returned mail in the first instance and because of potential fraud concerns in the second instance. However, Barclays did acknowledge that F had had to spend longer trying to resolve the second account block than ought reasonably to have been the case, and it apologised to F because of this.

F wasn't satisfied with Barclays response, so it referred its complaint to this service. One of our investigators looked at this complaint. This resulted in Barclays confirming that it felt that the complaint response it had issued previously to F had been fair and reasonable, but that on appraisal Barclays were willing to offer £50 to F as compensation for the additional time F had to spend trying to remove the second block on the account.

Our investigator, after reviewing the circumstances of this complaint, felt that Barclays response to F's complaint, including the amended offer of £50 compensation, did represent a fair and reasonable resolution to what had occurred. However, F remained dissatisfied, so the matter was escalated 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.

Barclays wrote to F in November 2020 advising that it had placed a block on F's account because it was concerned that F's credit card details might have been compromised. However, this letter, and a later letter sent to the same address, were returned to Barclays as undeliverable items.

It's unclear why these items of mail were returned, as it appears that they were addressed correctly. However, having received these items as returned mail, Barclays emailed F and asked it to confirm or update its address and contact details.

The email that Barclays sent to F in this regard clearly stated that F shouldn't reply directly to the email (which wouldn't be monitored) and provided F with the appropriate means of

confirming its contact details with Barclays. However, F did reply directly to the email and didn't respond via the correct channel as informed by Barclays in the email, and because of this Barclays didn't receive the address confirmation from F via a channel that elicited the confirmation of F's address and so the block on F's account wasn't removed.

This meant that when a payment became due on the account at the end of that month, it couldn't be taken, and I'm aware that F feels that Barclays should be held responsible for this, given that it had provided a confirmation of its address when responding directly to the email that it had received.

But F didn't provide the address confirmation via the required channel, and even when informed by Barclays that its direct response to the email wouldn't result in F's address being confirmed, and therefore wouldn't result in the block on the account being removed, F declined to update its address via an appropriate channel and stated that it wouldn't respond to any further contact from Barclays in regard to this point.

In consideration of these points I find it difficult to conclude that Barclays acted unfairly or unreasonably towards F here, and it seems apparent to me that if F had updated its address via the channel as instructed in the initial email it received that the block would have been removed from its account in time to allow the scheduled payment due at the end of that month to be paid. As such, I don't feel that Barclays should be held accountable for that payment not being paid, and I won't be upholding this aspect of F's complaint.

At a similar time, Barclays separately made the commercial decision to reduce the credit limit on F's credit account from £2,500 to £2,200. I'm aware that F wasn't happy about the reduction in the credit limit, but I'm satisfied that this was a decision that Barclays were entitled to make, and I note that the terms of the credit account include the following:

*"We'll tell you what your business credit limit is when we first open your account. We'll then review it from time to time. If we change your business credit limit, we'll write to let you know."*

*"If we reduce your business 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 be inappropriate. We won't reduce your business credit limit to be less than your total outstanding balance, plus any transactions authorised but not yet charged to your account."*

Additionally, Barclays have confirmed that their decision to reduce the credit limit on the account was undertaken in response to an assessment of risk it undertook on F. Barclays have provided details of this risk assessment to this service which I'm not at liberty to share publicly. But in consideration of this information, Barclays position here seems reasonable to me, and I don't feel that it acted unfairly towards F by reducing the amount of credit available to F in the manner that it did.

I'm aware that F feels that when it challenged Barclays about this decision that Barclays were threatening in its replies, including that Barclays intimated that F may have trouble logging into its online account if it continued to disagree with the credit limit reduction.

However, it seems likely to me that there's been some confusion on F's part here. I say this because I note that Barclays did inform F at that time that it may have trouble logging into its online account, but it seems clear that this was in response to the point referenced earlier in this letter (and which, as explained, was taking place at the same time), specifically that F was attempting to provide its address confirmation via an unsuitable channel, to which Barclays attempted to convey to F that if it continued to not update its address as requested

in the letter that the block wouldn't be removed from its account and that it may have trouble logging into its account.

Indeed, I haven't seen anything in any of the information presented to me by either F or Barclays that I feel constitutes or intimates any form of threatening or intimidatory behaviour towards F by Barclays.

Shortly after these events, F found that it couldn't log into its online account once again. Barclays have confirmed that this was because of a series of failed identification attempts via its Interactive Voice Response System.

It doesn't seem unreasonable to me that Barclays would place a precautionary block on F's account in such circumstances, and it's notable that Barclays tried to contact F about the block that had been placed on its account because of these failed attempts that same day.

F didn't become aware of the block on the account until a few weeks later, and when it initially contacted Barclays about this, the reason for the block wasn't identified. This meant that this second block wasn't removed from F's account until four days later. Barclays have apologised to F because of this, and after liaising with this service have offered £50 to F as compensation for any inconvenience incurred by F because of that four-day delay. This feels fair to me, and I won't be instructing Barclays to take any further action in this regard.

All of which means that I'm not convinced by the version of events put forwards by F in regard to this complaint. Specifically, I haven't seen anything to corroborate F's assertions that Barclays acted maliciously towards F in response to F's challenging the reduction in its credit limit.

Additionally, I'm satisfied that it was reasonable for Barclays to reduce F's credit limit, and that the troubles that F had in regard to the blocks on its account were as a result of F not correctly updating its address in the first instance and because of legitimate fraud concerns in the second instance.

I realise that this might not be the outcome F was wanting here, but it follows that I won't be upholding these aspects of F's complaint or instructing Barclays to take any further actions in these regards. However, in order to formalise the offer of £50 compensation to F made by Barclays for the delay in unblocking its account in the second instance, I'm obliged to uphold this complaint against Barclays on that limited basis only and to instruct Barclays to make the agreed compensation payment to F.

### **Putting things right**

Barclays must make a payment of £50 to F.

### **My final decision**

My final decision is that I uphold this complaint against Barclays Bank Plc trading as Barclaycard on the limited basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask F to accept or reject my decision before 7 June 2022.

Paul Cooper  
**Ombudsman**