

## **The complaint**

Mr T is unhappy that Barclays Bank UK PLC trading as Barclaycard have declined his application for a credit card.

## **What happened**

Earlier this year, Mr T applied for a credit card but his application was declined. Barclaycard explained his current levels of borrowings and expenditure compared to his income indicated that he if took out further credit, he may find it difficult to keep up with repayments in the future.

Mr T contacted Barclaycard as he believed they'd made a mistake due to the reason given about his borrowings. He explained he didn't have any borrowings which was confirmed in his credit reports from three different credit reference agencies.

Barclaycard reiterated their reasons for declining Mr T's application. They explained they couldn't expand on their reasoning any further and they weren't obligated to discuss their lending criteria.

Unhappy with this, Mr T raised a formal complaint with Barclaycard on 9 May 2022. When he didn't receive a response, he referred his complaint to our service. He felt the reasons Barclaycard gave to reject his credit card application were fabricated as he didn't have any borrowings. He believes Barclaycard are discriminating against him due to his age.

Our investigator said that Barclaycard had completed affordability checks in line with their lending criteria and had treated Mr T fairly. He also said that Barclaycard had provided their rationale for declining the application. So, he didn't uphold the complaint.

Mr T disagreed and asked for an ombudsman to review his complaint.

## **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.

Barclaycard have explained that they check applications against information that they hold internally through their records and externally from credit reference agencies. They also take into account the declared income and factor in expenditure such as utility costs, priority bills and general living expenses as well as any credit commitments as shown on the applicant's credit file.

As part of the affordability assessment, Barclaycard have said they look at borrowing and expenditure as a whole to estimate a monthly disposable income. And they would decline an application, if the information indicates that the applicant won't be left with enough monthly disposable income in line with their lending criteria.

Barclaycard are entitled to use their commercial judgement on how to operate their business, this includes setting their lending criteria and risk appetite. Our service isn't able to interfere with legitimate commercial decisions.

I've looked at the information Barclaycard reviewed in reaching their decision on Mr T's application. Based on this, I don't think it was unreasonable for Barclaycard to have concerns about Mr T's ability to sustainably repay a credit card debt.

Ultimately, we'd expect responsible lenders to complete reasonable and proportionate checks to ensure a borrower can afford to repay any credit in a sustainable manner. Barclaycard completed these checks and felt that if an account were to be opened, Mr T may have found it difficult to keep up with the repayments. So, I can't agree Barclaycard treated Mr T unfairly by declining his application.

I sympathise with Mr T's frustration as he's provided his credit file which shows he hasn't got any borrowing and manages his finances well. I also understand he wanted the credit card for the consumer protection it offers, so I appreciate his disappointment.

We can't share the information Barclaycard have provided our service to demonstrate how they reached their lending decision on Mr T's application as it's commercially sensitive. And divulging information of this nature is likely to compromise Barclaycard's assessment process. I hope it's reassuring for Mr T to know that the checks completed by Barclaycard didn't note any borrowings. But this doesn't mean they were wrong to decline his application.

Barclaycard explained to Mr T that they reviewed his borrowing levels *and* expenses against his income when making their decision. I don't think this meant that their decision was based solely on Mr T's borrowings. So, while Mr T has shown that he doesn't have any borrowing, he does have outgoings, such as bills and other expenses.

Mr T feels Barclaycard have discriminated against him due to his age. But I've not seen any evidence to suggest this was the case.

Overall, I'm satisfied Barclaycard have applied their lending criteria fairly in assessing Mr T's application which, as explained above, they're entitled to do and unfortunately, he didn't meet their requirements on an affordability basis.

Barclaycard gave Mr T the primary reason for declining his application which is all they're obliged to do. We don't expect them to provide detailed information about why they specifically declined Mr T's application as information of his nature is commercially sensitive.

That said, I think Barclaycard could've been clearer about their reference to Mr T's borrowing levels in their response of 15 April 2022 and tailored it to address his concerns. I can also understand why this miscommunication may have led Mr T to believe that Barclaycard had made a mistake. I think Barclaycard should've done more to clarify this avoiding any stress, frustration and disappointment Mr T was caused.

Mr T also wrote to Barclaycard on 9 May 2022 to raise a complaint. He has provided us with proof to show Barclaycard received this letter on 11 May 2022, but they failed to reply to him. I agree this would've added to his frustration and annoyance.

Taking into account the impact of the customer service issues on Mr T, I think Barclaycard should pay Mr T £100 compensation for the distress and inconvenience caused.

A summary of my findings on this complaint were shared with both parties prior to me issuing this final decision. Barclaycard agreed with my recommendations, but Mr T didn't accept.

I know Mr T feels very strongly about his complaint, in particular that Barclaycard have lied to him. But I hope he feels reassured after an independent review that Barclaycard have treated him fairly in assessing his application.

I remain satisfied that £100 compensation for the customer service issues is fair and reasonable, and I don't require Barclaycard to do anything else to resolve this complaint.

### **My final decision**

For the reasons given above, my final decision is that I uphold this complaint and require Barclays Bank UK Plc to pay Mr T £100 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 January 2023.

Ash Weedon  
**Ombudsman**