

The complaint

Ms D complains that Barclays Bank UK PLC trading as Barclaycard ('Barclaycard') irresponsibly gave her a credit card account and subsequent credit limit increases that she couldn't afford.

What happened

In March 2005 Ms D applied for a credit card account with Barclaycard. She was given an initial credit limit of £900. There were some increases and decreases to the credit limit over the years. A summary of the increases follows:

- March 2011 - Credit limit increased to £1,500
- October 2011 - Credit limit increased to £2,500
- June 2012 - Credit limit increased to £4,000
- January 2013 - Credit limit increased to £6,400
- August 2013 - Credit limit increased to £8,400

The credit limit was also decreased on four occasions between January 2008 and April 2017.

In 2021, Ms D complained to Barclaycard to say that the account shouldn't have been opened for her because it wasn't affordable and that Barclaycard ought to have made a better effort to understand her financial circumstances before giving her credit.

Our adjudicator didn't recommend the complaint be upheld. Ms D didn't agree. So, the complaint has been passed to me to decide.

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.

I've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Barclaycard will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Ms D's complaint is that Barclaycard made credit available that was unaffordable. It's not easy to determine affordability so long after the credit and credit increases were given, especially as neither side has any evidence from the time. In particular, Ms D has not been able to provide her bank statements from the times the credit was given or increased.

Barclaycard has explained that it carried out a credit check using a credit agency to determine the amount of credit it was able to offer at each stage of its lending. It's possible that Barclaycard failed to make adequate checks before providing Ms D with credit. But if that's true, that doesn't mean the lending was automatically irresponsible.

Having considered all the submissions made in this case, and particularly in the absence of any extra evidence from Ms D to the contrary, I have seen insufficient evidence to think that more thorough affordability checks would have led Barclaycard to think that the credit it provided Ms D was unreasonable.

I know that Ms D will be disappointed with my decision and I was sorry to read about the difficulties she has faced in her personal life. But I want Ms D to know that I considered all the submissions made in this case. Having done so, I have not found sufficient evidence to uphold this complaint.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 6 December 2022.

Douglas Sayers
Ombudsman