



The complaint

Mr M complains that Barclays Bank UK PLC trading as Barclaycard irresponsibly gave him a credit card that he couldn't afford. For simplicity, I will refer to the business throughout as 'Barclaycard'.

What happened

In March 2016, Mr M applied for a credit card with Barclaycard. He was given a credit card with a credit limit of £1,500. The credit limit was not increased.

In 2022, Mr M complained to Barclaycard to say that the account shouldn't have been opened for him because it wasn't affordable.

Our adjudicator thought the complaint should not be upheld. Mr M 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.

Mr M's complaint is that Barclaycard made credit available that was unaffordable. Barclaycard has explained that it relied in part on information that Mr M provided at the time of application to assess affordability. Mr M told Barclaycard that he earned £16,000 a year from his employment and that he had some other financial commitments at the time. Barclaycard said they carried out a credit search in Mr M's name to assess Mr M's level of debt at that time and to understand how he had been managing that debt. With that information and using their own scoring metric, Barclaycard decided to agree to the credit card of £1,500. So, there was some assessment of affordability at the time of the sale.

The Barclaycard checks showed that Mr M most likely did have the income he claimed and that Mr M had some other financial commitments and borrowings. And the credit check showed little or nothing of note in terms of adverse credit. I have seen the credit file that Mr M has provided us and that also shows little or no adverse markings recorded from the time of the credit card and earlier.

So, it seemed from the credit check that, at the point the lending decision was made, Mr M was affording his existing credit. And so, Barclaycard were not put on notice of any reason not to agree the lending from that. And so, I don't think that the information that Barclaycard had at the time of the lending decision, would have led them to feel they ought to make more searching enquiries of Mr M's expenditure.

And Barclaycard told us it had checked Mr M's income, with a firm that compared declared incomes with those from previous credit applications. And Mr M's declared income had raised no flags that suggested a closer look should have been taken. And Mr M told us that the declared income was correct. So, I do not believe that a closer check of that (by payslips etc) would have put Barclaycard off the lending. And this credit card was reasonably modest compared to Mr M's declared income. So, I do not believe that Barclaycard would have seen anything that would have made the credit card seem unreasonable.

Mr M has provided bank statements that show he ran a current account with a bank that was different to the business he took the credit card with. The bank statements show that Mr M had another account, that he hasn't provided details for, as the statements show money moving into and out from a different account in his name. From the statements of the account that Mr M has shared with us, it is obvious that he had a gambling habit at the time. I have seen no evidence that Mr M shared that information with Barclaycard at the time it made its lending decision. In any event, and as discussed above, the gambling habit had not led Mr M to blemish his credit file at the time he applied for the credit card.

I have to look at the information that was available to Barclaycard at the time it made its lending decisions and not to use hindsight. Barclaycard was not made aware of the habit at the time the credit card was taken out. And I have seen insufficient evidence that the other information that Barclaycard acquired or had presented to it at the time of the lending decision, would have led them to think that they were remiss in not checking Mr M's expenditure more closely. I do not think that Barclaycard should have checked Mr M's bank statements before providing him with this credit card.

So, having considered all the submissions made in this case, I have seen insufficient evidence to think that the credit Barclaycard provided to Mr M was unreasonable.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 December 2022.

Douglas Sayers
Ombudsman