

## **The complaint**

Mr O complains about the use of his credit card from Barclays Bank UK PLC trading as Barclaycard (Barclaycard).

## **What happened**

Mr O has a credit card from Barclaycard and the limit was £4,200 and had been so since 2017. On 15 November 2022, he asked for an increase in the limit to £10,000, but this was declined. Mr O wanted an increase in the limit to buy an expensive piece of jewellery, which wasn't possible because the limit wasn't sufficient.

Mr O called Barclaycard to ask if he could pay into the account so he could make the purchase but was told that wasn't possible.

Mr O complained. He said:

- He wasn't complaining about the lending decision.
- But he wasn't given the chance to appeal the decision as he should've been. He said Barclaycard's final response closed that down without addressing it.
- He was told by Barclaycard - he couldn't pay into the account, and any such funds would be returned. But the terms and conditions don't say that, and he showed that he had paid in more than needed subsequently, so the advice from Barclaycard must be wrong.
- As a result, he couldn't collect Avios points on the purchase he wanted to make using his Barclaycard.

Barclaycard said they hadn't stopped Mr O from using his card. But they don't allow customers to go into credit – as that's not how a credit card works. Mr O should've been given the option to appeal the lending decision, but unfortunately wasn't. They apologised for that and paid compensation of £25. Barclaycard said any increase in a limit by more than £5,000 is automatically declined by their approval systems.

Mr O brought his complaint to us. Our investigator didn't uphold it. She said:

- She couldn't discuss Barclaycard's decision not to increase Mr O's limit. But any increase of more than £5,000 is automatically declined.
- Mr O should've been given the option to appeal the decision but wasn't. Barclaycard had apologised and paid compensation of £25, which was satisfactory.
- Credit cards are designed to be in a debit position, and not hold credit balances.

Mr O didn't agree and reiterated his main complaint points which were:

- That Barclaycard didn't offer an appeals process as part of their final response.

- Barclaycard's terms and conditions don't say that credit balances aren't allowed, or that credit balances will be returned. The terms and conditions should be fair and reasonable, and in this regard, they aren't.

Mr O asked that his complaint be looked at by an ombudsman, and so it has come to me to make 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.

There are two main aspects to Mr O's complaint:

- That he wasn't allowed to put his account into credit in order to make a large purchase.
- His complaint was unfairly closed without offering him an appeal of Barclaycard's decision not to increase his credit limit.

*Account not allowed to go into credit:* Mr O says Barclaycard's terms and conditions don't cover this. I reviewed these and they say:

*"Paying your bill...As this is a credit agreement, we will never pay interest to you for any balance on the account and you should not keep money in your account. For this reason, you need to make sure that you don't pay more than your total outstanding balance (which would create a 'positive balance'). If you do have a positive balance, we can return that balance to you, rather than leaving it in the account..."*

So here - Barclaycard's terms do say they can return money to customers. So – I can see why Barclaycard's call handlers said that he shouldn't put the account into credit, as it may be sent back to him. Mr O argues that the terms don't say that money *will* be returned, and that enables Barclaycard to do what they want - and showed he paid in more than needed subsequently. I've considered his points, but on balance, I'm satisfied that the terms and conditions cover what Barclaycard's practices are and that the call handlers gave Mr O the correct information.

*Appeal:* Barclaycard's final response explained that an appeal needs to be made within 30 days of the lending decision. I can see that Barclaycard declined the increase on 22 November 2022, and Barclaycard's final response was dated 2 January 2023 – so more than 30 days had expired by that time. But Barclaycard did apologise that Mr O hadn't been given the option to appeal when he called previously, and paid compensation of £25 for that. Which on balance, I think was reasonable.

In summary, I consider Barclaycard handled Mr O's complaint satisfactorily, and so, while I understand Mr O will be disappointed by my decision, I'm not asking them 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 O to accept or reject my decision before 26 September 2023.

Martin Lord  
**Ombudsman**