

The complaint

Mr H complains that Barclays Bank UK PLC gave him three credit card accounts that were unaffordable.

What happened

Mr H took out three credit cards between 1999 and 2004. The cards were closed between 2004 and 2014. In 2021, he complained to Barclays that they shouldn't have agreed to give him the cards, because he couldn't afford to repay them.

Barclays responded to Mr H's complaint. They said Mr H had made his complaint too late

So Mr H referred his complaint to our service. After considering the circumstances of Mr H's complaint, we decided we could consider his complaint.

An Investigator then considered the merits of Mr H's complaint. She said, in summary, she didn't think Barclays had made a mistake in agreeing the lending for the credit cards.

Mr H didn't accept the Investigator's findings. He said he still felt Barclays shouldn't have agreed to provide the credit card accounts to him and should refund interest and charges.

As Mr H didn't agree, the case was passed to me to decide. I issued a provisional decision. I've set out my provisional findings again below and they form part of this decision.

Provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Barclays had an obligation, when lending, to do so responsibly. Generally, this means they needed to conduct proportionate checks to ensure Mr H could afford to repay what he was borrowing in a sustainable way.

Barclays don't have any information at all about the applications for all three cards. That isn't surprising given the time that's now passed. Mr H also couldn't provide specific information about his income and expenditure, except to say that he had very little spare money at the time and had a low credit score. So I've had to base my decision on the limited information we do have and what I think is more likely than not in all the circumstances.

Barclays have told us that they would've assessed the information Mr H had given them on his application and compared this against previous credit applications or Mr H's current account to validate his income. And they would also have checked his credit file to see how he was managing his finances in general. Overall, I find – on balance – Barclays carried out appropriate checks to assess Mr H's ability to repay the credit cards. So I don't think Barclays made a mistake when the cards were first taken out.

Although there's limited available information, I do have some statements for one of the accounts – which was opened in 2003. The statements I have only go as far back as May 2004. So I can't see how the balance was used in the first instance but I can see a significant proportion of Mr H's later use of the card was for gambling transactions. At the time, there were no restrictions on the use of credit cards for gambling transactions.

The statements show Mr H regularly exceeded his credit limit, made payments late and had his account suspended for large periods of time because it was in arrears and usually also over its credit limit. It also appears based on the statements; Barclays temporarily prevented Mr H from withdrawing cash on his credit card in 2006 because of the way he was managing his account.

Having reviewed Mr H's statements for this account, I think it's clear Barclays should reasonably have been aware, that Mr H was having trouble managing his account. And I think these steps, suspending his account and removing the option to withdraw cash, were appropriate to limit the opportunity for Mr H's balance to increase significantly.

Mr H sometimes missed payments for two months at a time, but then seemed to clear these arrears when prompted by contact from Barclays. So he never triggered the full default process which usually starts after three months of not clearing outstanding arrears. As Mr H regularly brought his account back into line – and without more evidence to review – it's hard for me to say exactly what else Barclays should have done at the time to support Mr H's use of his account.

Mr H's credit limit was reduced in November 2011. Barclays can't provide the reason for this because the information is no longer available. Again, that's not surprising given how long ago the decrease took place. But, based on the statements for this account it seems likely this was the result of Mr H's previous management of this account. Given how the account had been managed, I think it might've been appropriate for Barclays to have considered reducing the credit limit earlier than 2011, but I can see Mr H paid off the previous balance of about £3,500 before this decrease took place. And there's no guarantee he would've been in a position to do so before this, so I think this was an appropriate step for Barclays to take to assist Mr H in reducing the overall level of debt he held with them.

As I don't have statements for the other two accounts, I don't know how they were managed. Based on what Mr H has told us about his circumstances, it seems likely he would've been managing the other accounts in a similar way. Without further evidence though, I'm unable to say what else Barclays should've done and so I can't uphold for the same reasons I set out above.

I understand Mr H will be disappointed by my decision. But I don't think Barclays made a mistake in providing Mr H with the credit card accounts in the first place and, based on their obligations at the time these accounts were active, I don't think I can fairly conclude Barclays should have done more to intervene in Mr H's use of the account.

Responses to my provisional decision

Mr H responded to say he was disappointed but accepted the provisional decision.

Barclays did not respond by the deadline.

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.

As Mr H accepted my provisional decision and Barclays did not provide anything further for me to consider by the deadline, I see no reason to depart from my provisional findings.

So I still find Barclays treated Mr H fairly in relation to his credit card accounts.

My final decision

For the reasons I've explained, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 April 2023.

Eleanor Rippengale
Ombudsman