

The complaint

Miss M complains that Barclays Bank UK PLC trading as Barclaycard lent to her irresponsibly.

What happened

In December 2012 Miss M applied for a credit card account with Barclaycard. Barclaycard approved the application and gave Miss M a card with an initial credit limit of £1000. The credit limit was never increased.

Miss M complained that Barclaycard had lent to her irresponsibly.

Barclaycard didn't uphold the complaint. It said it had carried out proportionate checks before lending to Miss M.

Miss M remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said that there wasn't enough evidence to say that the lending was unaffordable.

Miss M didn't agree so I've been asked to make a 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.

We've set out our approach to complaints about unaffordable lending on our website. I've had this approach in mind when considering Miss M's complaint.

Before agreeing to lend, Barclaycard needed to complete reasonable and proportionate checks to ensure that Miss M could sustainably repay what was being lent to her. There's no set list of checks that a lender has to complete. But lenders are required to have regard to things like the amount being lent, the total amount repayable, the monthly repayments and the consumers individual circumstances when deciding what's reasonable and proportionate.

Miss M declared an annual income of £10,000 when she applied for the card. This equates to a monthly income of £830. Barclaycard carried out a credit check, which showed that Miss M had unsecured debt of around £2873.

Although Barclaycard completed these checks, I think it would've been proportionate if it had carried out further checks to verify Miss M's income and expenditure. I say this because the credit limit was relatively high in comparison to Miss M's declared salary, and little information had been obtained about Miss M's outgoings.

I've gone on to consider what reasonable and proportionate checks would have shown. IN order to gain an understanding of Miss M's financial circumstances at the time of the

application for the credit card. This service asked Miss M to provide copies of her bank statements for the 3 months leading up to the date of the application. Miss M hasn't provided these, so I've been unable to determine what reasonable and proportionate checks of Miss M's bank statements would've shown.

I've therefore had to reach a decision based on the available evidence. The credit check carried out by Barclaycard showed that Miss M had missed a payment on a mail order account. But apart from this, all of her accounts were up to date and there was no adverse information on her credit file which would've given Barclaycard cause for concern.

Based on what I've seen, there's nothing to suggest that Miss M was struggling to repay her debts at the time she applied for the credit card.

I appreciate that Miss M has said that her bank statements will show that she was using her overdraft facility and that she had a gambling problem. However, without having sight of the statements, I'm not in a position to say what they show.

I also appreciate that Miss M had another complaint about irresponsible lending upheld. However, this service looks at every complaint on its own merits.

For the reasons I've explained I'm unable to uphold the complaint.

My final decision

My final decision is that I'm unable to uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 26 July 2023.

Emma Davy
Ombudsman