

The complaint

This complaint is about the service Mr M received from Barclays Bank UK PLC about his credit card.

What happened

Mr M told us he applied for a basic credit card with Barclays. He thought his application had been refused. But then he got a text message to say a credit card had been sent to him. He got a credit limit of £50. Mr M's card then stopped working. He called Barclays to find out what was happening. Barclays said it had stopped his card because he hadn't told it about his finances.

This didn't sound right to Mr M. He said he had linked his card to his Barclays bank account. That means Barclays would have known about his finances. He told us he wasn't working and all his money came from state benefits. He said he told Barclays he wasn't working in his application. And it should have been obvious to Barclays he wasn't working because of the amount of benefits he was getting.

Mr M says he could still see the account on his online banking. It showed he had £50 available to spend. Mr M said Barclays had spoken to him badly when he called up to find out what was happening with the card. It offered to pay him £25 because of this.

Mr M is autistic and has ADHD. He told us he can get a bit confused when reading things. He said he doesn't understand things as well as other people do. He also told us he has trouble processing information. Mr M thinks Barclays discriminated against him because of his disability.

Barclays sent a final response letter to Mr M. Barclays said it had contacted Mr M four times to ask him to 'verify' or confirm his income. Barclays said that it was a responsible lender, so it had to confirm his income before it could increase his credit limit.

Our investigator looked at all of the information Mr M and Barclays had given us. She didn't think Barclays had made a mistake. She said that Barclays had asked Mr M to confirm his income four times, but he hadn't. So it was fair to cancel the card. She said if he wasn't sure about anything, Mr M could have called the bank for more information. Our investigator also said that she thought £25 was fair after Mr M had been upset by Barclays on the phone.

Mr M didn't agree with our investigator's opinion. So, the complaint was passed to me for an ombudsman's decision.

I asked Barclays for some more information. Barclays told us:

- It asked Mr M for information about his income because his bank statements didn't show whether he was getting any money from work;
- Mr M's bank statements seemed to show all his monthly money from state benefits. Mr M wouldn't have been able to get a credit card if all his money came from

benefits;

- Mr M wasn't asked in advance whether he had any additional communication needs. But he could have called Barclays if he needed extra support. There was also an 'accessibility' link on the Barclays website. Barclays thought Mr M would have been able to see this when he was making his application.

I thought Barclays needed to do more to put things right for Mr M. So I sent a provisional decision to Mr M and Barclays. In that decision, I told Mr M and Barclays what I thought the outcome of the complaint should be. In that decision, I said:

'Mr M told us he thought his application for a credit card had been refused. But then he got a text message to say his card was on the way. Barclays had given him a temporary credit limit of £50. I haven't seen anything to suggest that Barclays had told Mr M that the credit limit was temporary.

Barclays says it then sent four emails to Mr M. The first one looks like it was sent on 26 April 2022. The title of the email was 'You could unlock a higher credit limit'. The email then says that Mr M had to check what he needed to upload. The email then directed him to another section further down the message. Scrolling further down, I can see Barclays wanted Mr M to download or photograph either some of his bank statements or payslips.

Looking at the email, it gives the impression to me that Mr M would only need to upload the extra information if he wanted a bigger credit limit. And the information in Barclays' final response letter seems to say that as well. I can see that the email sent to Mr M on 26 April 2022 does say further down that Barclays needed to verify Mr M's income or it would close his account. I don't think that would have been immediately clear to Mr M, especially as the paragraph above directed him past that section to check what he needed to upload. In any event, Mr M says he thought he didn't need to upload his bank statements because he already banked with Barclays and that it already knew what his income was.

Two further similar emails were sent to Mr M a bit later on. The heading for these messages was 'it only takes a few minutes' and then said Mr M only had a particular number of days to upload his income and then he could unlock a higher credit limit. Again, I think these emails are confusing. They suggest Mr M only needed to upload his income details if he wanted a higher credit limit. It's understandable that Mr M thought that. And as I said above, Mr M says he didn't think he needed to upload his statements because Barclays already had access to them.

The Financial Conduct Authority ('the FCA') regulates financial businesses. The FCA has said that financial businesses, like Barclays, have to pay 'due regard' to the information needs of its customers. The FCA also says that Barclays needs to communicate with its customers in a way that is clear, fair and not misleading. In other words, the FCA says Barclays needs to think about how best to communicate with Mr M. And it needs to be clear when it does get in touch with him. This is all set out in the FCA's Principles for Businesses.

Looking at the messages Barclays sent to Mr M, I don't think the emails were clear. The headline and some of the text says he needs to take action if he wants a higher credit limit. But other— less prominent — parts of the text say that Barclays will close the account if Mr M doesn't do what it asked.

I can also see why Mr M would have thought he didn't have to tell Barclays about his income. I say this because this because Barclays asked him to upload bank statements. As Mr M says, Barclays was already his bank and it had access to his financial information. Barclays says the information it had from Mr M's current account wasn't enough. That's because Barclays says he wouldn't have been eligible for a credit card at all because his income came from his state benefits. What it actually wanted was evidence that Mr M was working. But in its emails, Barclays didn't ask Mr M to confirm his earnings or salary. It asked for evidence of his income. And I can see why Mr M could have reasonably thought Barclays already had that information because all his benefits were paid into his Barclays current account.

Mr M says he told Barclays during the application process that he was on benefits. And I can see that he appears to have said he was a 'home maker' when he applied for the card.

Barclays also asked Mr M for details of his employer and I can see that section was left blank. Barclays says that to get a credit card Mr M had to be working and earning at least £3,000 a year from work. At no point in the application process has Mr M appeared to say he was working. So, it is not clear to me how his application was able to progress to the point a card was issued.

I think there's a risk this wasn't fair. Barclays was prepared to issue a card to Mr M based on the amount of his income – only to withdraw it because of the source of his income. Mr M's income comes from benefits in part because of his disability. It might not be fair to say that a person with income from disability benefits can't get a card when someone with the same income from work can. But Mr M's complaint is about how Barclays communicated with him. And he hasn't said he still wants the card now. So I haven't thought about this in any more detail.

Overall, it seems to me that the process Barclays adopted in Mr M's case was very confusing. At this time, I can't say Barclays' information was clear and not misleading.

The FCA says Barclays also has to think about Mr M's information needs. But it doesn't look as though Barclays checked with Mr M whether he had any additional needs when he made his application. Barclays said that when Mr M was applying for his credit card, there was a section on the website which said 'contact us if you're having difficulties understanding'. The same part of the website also said that Barclays could offer support to people with 'mental or physical health conditions or learning disabilities' and a phone number was set out for customers to call if they needed support.

But I think the information provided here put the responsibility on customers with difficulties to seek support. It wasn't part of the application process; it was a separate section on the website. I can't see how Barclays could have had 'due regard' to Mr M's information needs if it didn't take any positive steps to find out what those needs were.

I've looked at the FCA's Guidance for Firms on the Treatment of Vulnerable Customers. The FCA says that financial businesses, like Barclays, need to set their systems up in a way that supports and enables vulnerable customers to communicate their needs. The FCA says Barclays should be proactive in offering that support – or take positive steps to help. The FCA also says that Barclays should find out about a customer's needs whichever way they get in contact. So, for example, if

a customer contacts it online, it could offer a chatbot or text box to allow a customer to share information about their needs.

None of that appears to have been offered to Mr M when he applied for his credit card. So when Barclays sent its emails out to Mr M requiring further action from him, it did not know that he might have some trouble understanding what it wanted him to do. That's because it hadn't really taken steps to find out. And when he did speak to Barclays on the phone, things didn't go well and Barclays ended up paying Mr M £25 because of that. If it had known he had some trouble understanding and processing things, it could have handled that call differently.

Mr M told us he thought Barclays had breached the Equality Act 2010. It is not for this service to say whether Barclays did this – it is for a court to decide whether Mr M has been discriminated against. But I have thought about what the Equality Act 2010 says to help me decide what a fair outcome should be in Mr M's complaint.

Barclays didn't know it might need to offer Mr M a reasonable adjustment – but that was because, as I've said, it didn't take steps to find out. In any case, the Equality Act 2010 also says there is an anticipatory duty on Barclays. What I mean by that is that Barclays has to think about how its processes may affect people who have a disability. It seems to me the process of allowing a temporary credit limit and requiring verification of income after the card has been provided could well be confusing for people in Mr M's position, especially as the emails it sent also weren't clear. And I think that Barclays should have anticipated the trouble this might cause.

Putting this all together then, I think the process Barclays adopted in this case was confusing for Mr M when thinking about his additional needs. I also think it should have been reasonably clear to Barclays that the process it used could have been confusing and difficult to follow for customers like Mr M. And I think that Barclays should have checked with Mr M whether he had any additional needs during the application process.

I think Mr M has lost out because of all this. He told our investigator he couldn't understand what had happened and why his account was closed. It looks like this has caused Mr M quite a bit of upset. I think it's fair for Barclays to pay £500 to Mr M to put that right.'

Mr M told us he agreed with what I said in the provisional decision.

Barclays did not agree with what I said in the provisional decision. It said:

- It had sent Mr M an email when the account was opened on 24 April 2022. That email said his credit limit was temporary. It also said his credit limit could go up once he'd provided proof of his income. Barclays didn't think its later emails would have been confusing because Mr M had been sent this first email.
- It wouldn't be reasonable to ask every person who applies for a credit card if they have any difficulties with their mental health. And Mr M would have been prompted to contact Barclays if he needed support.
- It wouldn't have been possible for Mr M to say he was on benefits as part of the application process.

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 still think Barclays needs to put things right for Mr M. I'll explain why what Barclays said hasn't changed my mind.

I've looked at the email Barclays says it sent to Mr M on 24 April 2022. It's not clear whether Mr M got this email. I say this because Mr M said he thought his card application had been refused until a card arrived in the post.

Even if he got this email, I still think it's confusing. I say this because Barclays says Mr M *could* get a provisional credit limit and that limit could go up if he gave Barclays information about his income. But then, I think a provisional credit limit of £50 had already been offered to Mr M.

The email said Barclays might close the account if Mr M didn't verify his income. But looking at the email, it reads as though Barclays was only thinking about whether to give Mr M a credit card, when it had already issued a card with a provisional limit at that stage.

Barclays said it could agree some of its later correspondence to Mr M had been confusing. But it didn't think that could be the case if Mr M had read the email of 24 April 2022. I don't think it's fair for Barclays to send confusing emails to its customers and then expect them to check old messages to work out what it means. I don't think that would be clear, fair and not misleading.

Barclays said Mr M would have been directed to call it for support if he needed help. It also said that it couldn't ask everyone who applied for a card if they had difficulties with their mental health. But that's not what I suggested in my provisional decision. What I said was that the FCA expects Barclays to be proactive in helping its customers tell it about their needs. I don't think expecting Mr M to call for support means Barclays was proactive here.

As well as that, I said Barclays had an anticipatory duty under the Equality Act 2010. In other words, Barclays has to think about how its processes affect all its customers. I still think that's relevant law. And I think Barclays ought to have understood that its process and the emails it sent were confusing, which might have a particular impact on neurodiverse customers. But in any case I've focused specifically on Mr M's complaint and whether I think he was treated fairly and reasonably in his particular circumstances. I don't think he was.

Barclays told us it wasn't possible for Mr M to have said he was on benefits as part of the application process. I find that surprising given it was an important part of Barclays' lending criteria. It didn't agree with me saying it wasn't clear why a card had been issued. I said this because Barclays had told us Mr M's income needed to be from employment. And Mr M had not said he was working.

I accept that it is fair for Barclays to check Mr M's income. The issue here is the process it followed wasn't clear or straightforward. Barclays didn't ask Mr M the questions it needed to ask to have decided whether he was eligible for the card, it issued the card and credit limit before carrying out its checks, and it didn't clearly explain to Mr M what it was doing or why. This caused considerable confusion and upset to Mr M.

For these reasons, Barclays needs to take action to put things right for Mr M.

Putting things right

Barclays needs to pay £500 to Mr M to put things right. It has already paid him £25, so it needs to increase this by £475 – which makes £500 in total.

My final decision

I require Barclays Bank UK PLC to put things right as I have set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 19 August 2023.

Nicola Bowes
Ombudsman