

The complaint

Mrs P complains that Bank of Scotland plc trading as Halifax ("Halifax") declined her request to increase the credit limit on her credit card. She also complains about how they explained this decision to her.

What happened

Mrs P applied to increase the credit limit on her credit card that she holds with Halifax from £6,000 to £10,000. Halifax declined this so Mrs P complained to them.

Halifax said in response that they declined Mrs P's request because it wasn't suitable enough for her needs; in particular they felt her outgoings were too high. Halifax set out the typical things they consider when customers apply for lending, as follows:

- information from Credit Reference Agencies such as missed payments on other accounts.
- consistently making only the minimum monthly repayment.
- regularly using a credit card to make cash withdrawals or for other higher risk transactions (such as gambling).
- regularly using the entire credit limit or exceeding the credit limit.
- missed and late payments on the card in the past.
- the current economic situation.

Mrs P wasn't happy with Halifax's response and felt they'd insinuated she hadn't managed her account well which upset her. Mrs P also wasn't happy with Halifax's wording in their letter about offering support due to a disability. She said Halifax knows she has a disability.

Our investigator didn't uphold the complaint. Mrs P didn't agree and so her case has been passed to me for 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.

I understand why Mrs P was upset when Halifax declined her request to increase her credit limit. And I've considered what she's said about the reasons for this increase. However, Halifax is entitled to reject a credit limit increase if they wish, and we wouldn't say their decision was flawed if it wasn't inherently unfair.

I've seen no compelling evidence that Halifax acted unfairly. I realise Mrs P may feel differently about that however lenders aren't obliged to increase limits upon request.

Halifax's final response letter to Mrs P gave her an answer on why this had been declined, in that the decision was based on her outgoings being too high. I realise Halifax gave other information about what they consider when customers ask for lending, which I've set out above, and that this upset Mrs P. I'm sorry this upset her. I'm satisfied though that Halifax wanted to explain the information they generally consider when they receive these requests.

I don't think their intention was to insinuate that this applied to Mrs P and how she'd managed her account. We've told Halifax though that this upset Mrs P and they've said they would like to sincerely apologise if she felt they were speaking ill of her character.

I've considered Halifax's wording in their final response letter asking Mrs P to get in touch if she needed support due to a disability. I think it likely this is something Halifax puts in all their final response letters as a matter of course. I don't think this was intended to ignore the fact that Halifax already knew Mrs P had a disability; rather it was probably general wording offering support to customers to whom they send letters. I don't find that unreasonable although Halifax should consider how they word future correspondence to Mrs P relating to this.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 24 November 2023.

Daniel Picken
Ombudsman