

The complaint

Ms R complains that Barclays Bank UK PLC trading as Barclaycard ('Barclaycard') irresponsibly gave her a credit card account that she couldn't afford.

What happened

In April 2015, Ms R applied for a credit card account with Barclaycard. Ms R was given a £1,000 credit limit. The credit limit was increased in 2016 to £3000 and in November 2018 to £4,500.

In 2023, Ms R complained to Barclaycard to say that the account shouldn't have been opened for her because it wasn't affordable and that Barclaycard ought to have made a better effort to understand her financial circumstances before providing her with credit.

Barclaycard did not uphold the complaint. Ms R disagreed and brought her complaint to us. Our investigator thought the complaint should be upheld, but only at the last increase to the credit limit. Barclaycard disagreed and the complaint was passed to an ombudsman for a review.

I issued my provisional decision in respect of this complaint on 29 January 2024, a section of which is included below, and forms part of, this decision. In my provisional decision I set out the reasons why it was my intention not to uphold Ms R's complaint. I set out an extract below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Barclaycard will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Ms R's complaint is that Barclaycard made credit available that was unaffordable. Barclaycard has explained that it relied in part on information provided by Ms R during the life of the card account and used information from a credit agency to determine the amount of credit it was able to offer. The checks produced credit scores which took into account Ms R's overall credit commitment and Ms R's management of that credit. Barclaycard told us that Ms R's account was assessed over time from the credit check information and the credit limit was set using that information and their observation of Ms R's management of the account.

The credit information that Barclaycard acquired showed insufficient adverse information to put them off making any of the lending decisions. So, I have seen insufficient evidence

to think that Ms R was not managing her existing credit at the times of the credit limit increases to the account, such that further lending was automatically unreasonable.

Ms R declared an income that was not modest both in itself and in relation to the relatively modest amounts of credit she had on this card account.

And Ms R's management of her account would not have shown anything to deter further lending as the account was largely well run by Ms R. In saying that I have noted that whilst Ms R went over her credit limit on a small number of occasions before the last credit increase, there were no instances of missed payments or incomplete payments.

So, I don't think Barclaycard were put on notice to make checks of a more searching nature. And I have seen insufficient evidence to think that any of the lending decisions were unreasonable."

I asked the parties to the complaint to let me have any further representations that they wished me to consider by 12 February 2024. Barclaycard has not acknowledged receiving my provisional decision, made a further submission for me to consider or asked for an extension to do so. Ms R has made a further submission. I consider that both parties have had time sufficient to have made further representations had they wished to do so. So, I am proceeding to my final decision now.

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.

Ms R has provided a copy of her credit report, a bank statement and some testimony. The credit report is interesting as it shows not a single negative marker at the times before the lending decisions were made in this case. In that respect it confirms what Barclaycard said they saw when they approved the credit for Ms R, which was someone who was managing her existing borrowing.

And I have had regard again for what Barclaycard told us that up to the time of the last lending decision, Ms R had not missed any payments or paid late, So Ms R's management of her account with Barclaycard suggested she was managing the borrowing she had with them.

Having considered all of the details of the case afresh, I can see no reason to depart from my provisional findings. I say that as I think Barclaycard had insufficient reason not to agree the lending decisions they made at the times they made them. And the new evidence that Ms R has provided is, I believe, insufficient to alter my provisional decision. And as I've already set out my full reasons for not upholding Ms R's complaint, I have nothing further to add.

My final decision

For the reasons set out, I don't uphold this complaint.
Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 12 March 2024.

Douglas Sayers
Ombudsman