

The complaint

Mr R and Mrs R complain that Barclays Bank UK PLC (“Barclays”) reduced the overdraft limit on their account.

The complaint is brought by both Mr R and Mrs R. But, for ease of reading, I’ll refer mostly to Mr R throughout this decision, as the submissions have been made mainly by him.

What happened

Mr and Mrs R hold an account with Barclays which had an agreed overdraft limit. In November, Barclays wrote to Mr R and said it was going to reduce the limit by nearly £10,000. It said this was because his existing limit might be higher than it would offer him now, based on the income information it held. Barclays said if Mr R still needed his existing limit and thought the information it had used was incomplete or out of date, he should call to discuss it. It said it would be happy to review his limit again, but he would need to call within 30 days of the date of the letter.

Mr R called Barclays in early December. He was advised to reduce the overdraft limit himself, using his banking app. The agent said that Mr R could reduce the limit to a level he would be happy with, and this would override the letter. Mr R tried to do this, but the app wouldn’t let him change the limit. He called Barclays again and spoke to a different agent.

The agent explained the rationale behind the proposed change to Mr R’s overdraft limit. They suggested he could use his credit card rather than the overdraft going forward. The agent looked into why Mr R hadn’t been able to change the limit in the app; they weren’t able to change it either. After seeking advice from a colleague, the agent explained that the changes couldn’t be made because of the type of account Mr R holds. They offered to change the account to a different type so that the limit could be changed. Mr R said he would leave it and let the limit go down to the amount which Barclays had decided. He explained his concerns about the situation and the agent said they would log his feedback.

Mr R wrote to Barclays’ Complaints Team soon afterwards. He explained that he would need access to further funds on a temporary basis and that some of these expenses couldn’t be paid for by credit card. He outlined his income and said the existing overdraft limit didn’t seem inappropriate. He asked for the existing limit to be retained for a further year or, failing that, for the new limit to be set to £10,000.

Barclays responded a few days later. It didn’t uphold the complaint as it said it has an obligation to ensure its lending is appropriate and fits Mr R’s needs. It said it regularly reviews customers’ overdraft limits. It said it allows customers 30 days to appeal this decision. It provided the contact number for its Specialist Overdraft Team. It said they would be able to complete a further review of Mr R’s circumstances and submit an appeal.

Mr R didn’t receive the letter until more than a week later. He called the Specialist Overdraft Team several days after that but was told it was too late to appeal the decision. So, he brought the complaint to this service. He said he was shocked that his overdraft limit was reduced without any discussion with him. He said his circumstances had changed but this

had been ignored by Barclays. He said his finances support the original overdraft limit, but he can't appeal Barclays' decision now.

Our Investigator didn't think Barclays needed to do anything. But Mr R didn't agree and asked for the complaint to be reviewed by an Ombudsman.

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.

Under the terms and conditions of Mr R's account, Barclays can change his overdraft limit. It's for Barclays to set its own lending criteria and decide who to lend to and on what basis. But I'd expect it to apply the criteria and follow its processes correctly and fairly when making decisions. I've reviewed all the information provided by the parties and listened to Mr R's calls to Barclays in December. Having done so, I don't think Barclays' decision to reduce Mr R's overdraft limit was unfair or unreasonable. And I find that it gave him enough notice before making the change.

Barclays said at the time that it would be happy to review the limit again if Mr R thought the income information it had used was out of date. I think that was a reasonable approach. I think it was clear that Mr R needed to call Barclays within 30 days of the date of the November letter if he wanted it to look at the limit again. I'm satisfied that he received the letter in time to do this.

Mr R contacted Barclays within a few days of receiving the letter. Following advice from the first agent, he tried to reduce the overdraft limit himself, to an amount of his choosing. This wasn't possible when he tried to do it through the app. The second agent explained why, and I think the explanation was clear and reasonable. The agent offered a solution to try and change the limit for Mr R. This involved changing the account type. Mr R chose not to do this. I can understand that it may not have been appealing to him. But he could have pursued this option if it was very important to him to set the overdraft limit at a different level.

At the end of the conversation, Mr R referred to the paragraph in Barclays' letter about reviewing the limit again. So, I'm satisfied he had seen it and would have been aware of the deadline. Having heard the agent's explanation for why the limit was changing, he said the decision wasn't really to do with his income so much as how he had used the account. At this point, Mr R was still well within the 30-day deadline. But, from his comments on the call, it seems that he had decided not to pursue a further review.

Instead, Mr R wrote to Barclays' Complaints Team to make a complaint. It responded promptly, but Mr R didn't receive the response for several days. I don't find this delay to be Barclays' fault. The Complaints Team referred to a 30-day period to appeal the overdraft decision. Mr R says it wasn't clear if this ran from the original (November) letter or from the new (complaint) letter. Barclays says the time limit ran from the November letter.

I've looked at the letters carefully. The complaint letter doesn't specifically say that the deadline runs from the November letter. But it doesn't say it runs from the complaint letter either. It refers to an "*appeal*" for the first time which may have caused confusion as the November letter referred instead to a further "*review*". But the complaint letter did refer to the November letter and the telephone number for Mr R to call was the same in both letters. I think the complaint letter could have been clearer. But, looking at the situation overall, I think Mr R ought to have realised the 30-days ran from the November letter. I don't find that a new deadline was set by the complaint letter. So, I find that Barclays was correct in telling him that the appeal process had expired when he called the Specialist Overdraft Team at the

end of December. If he had called on the day he received the complaint letter, I think he would have been in time to appeal. Unfortunately that didn't happen, but I don't find that to be Barclays' fault.

In conclusion, I find that Barclays was entitled to change Mr R's overdraft limit and I think its decision to do so was reasonable. Mr R was told what he needed to do if he wanted the decision to be reviewed. I think the deadline was clear and he had enough time to meet it. I can't conclude whether Barclays' decision would have been different even if it had carried out a further review. But I don't find that Mr R suffered any financial loss as a result of the limit being changed. I realise Mr R will find my decision disappointing and I'm sorry for that. But I don't think Barclays acted unfairly or unreasonably here. So I'm not going to ask it to do anything.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R and Mr R to accept or reject my decision before 14 June 2024.

Katy Kidd
Ombudsman