

The complaint

Mr C complains about changes to the interest rate on his credit card account with Barclays Bank UK PLC trading as Barclaycard.

What happened

Mr C holds a credit card account with Barclaycard.

On 12 April 2024 Barclaycard told Mr C that the interest rate was increasing with effect from 22 July 2024.

Mr C called Barclaycard and asked to raise a complaint about the increase in the interest rate. He said he'd been guaranteed a life long fixed interest rate when he opened the account in 2011. He also said that the terms and conditions of the account stated that any changes would not be to his disadvantage. The agent who took Mr C's call didn't log his complaint and instead advised him to go online or call the complaints department.

Mr C closed his account and complained to Barclaycard.

In its final response, Barclaycard acknowledged that the agent Mr C spoke to on 12 April 2024 should've logged his complaint but failed to do so. It offered Mr C compensation of £25 for the poor service. In relation to the interest rate, Barclaycard said the terms and conditions of the account gave it the right to change the interest rate by giving at least 30 days notice.

Mr C remained unhappy and brought his complaint to this service. He believes that the interest rate increase goes against his agreement which he says Barclaycard refuse to acknowledge because it says the new agreement supersedes the old one.

Our investigator didn't uphold the complaint. He said that in his view the agreement comprised the credit agreement and the updated terms and conditions which allowed Barclaycard to increase the interest rate. The investigator said the compensation paid for the poor service was fair and reasonable.

Mr C didn't agree. He said that section 11 of his agreement stated that changes could not be made which were to his detriment.

Because Mr C didn't agree I've been asked to review the complaint.

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 know it will disappoint Mr C, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on what I think is relevant. If I don't comment on any specific point, it's not because I've failed to take it on board and think about it but because I don't think I need to comment on it in order to reach

what I think is the right outcome.

I've reviewed the terms and conditions of the account. These say (at section 9 – Changes that we may make to your standard and cash interest rates) that Barclaycard has the right to change the interest rate by giving at least 30 days notice.

In this case, Barclaycard wrote to Mr C on 12 April 2024 to notify him that the interest rate would be changing with effect from 22 July 2024.

Based on what I've seen, I'm satisfied that Barclaycard had the right to change the interest rate. I'm also satisfied that Barclaycard gave at least 30 days notice in accordance with the terms and conditions of the account.

Mr C has said that the terms and conditions he received when he opened the account stated that there wouldn't be any changes to the terms and conditions which were to his disadvantage. He's referred specifically to section 11 of the terms and conditions.

I've reviewed section 11 of the terms and conditions which is headed "Changes to other terms and conditions (not including interest rates)". This states that:

"As well as the changes to interest rates described above, we may make changes to other terms and conditions of this agreement (including fees) for any of the following reasons:

If we reasonably consider that it makes the terms easier to understand or fairer to you

If we reasonably consider that the change will benefit you or isn't to your disadvantage and wouldn't cost you any more

To reflect reasonable changes to the way we run our business because of a change in the banking or financial system, in technology, or in the systems we use

To reflect legal or regulatory requirements that apply to us"

Having reviewed the terms and conditions and specifically section 11, I'm not persuaded that this section prevents Barclaycard from increasing interest rates. Section 11 specifically excludes interest rates. This is clear from the section heading - Changes to other terms and conditions (**not including interest rates**) (my emphasis added).

Mr C has said that these are new terms and conditions and not the ones he signed when he entered into the credit agreement. I don't disagree with Mr C that the terms and conditions may have changed over the years. I would expect terms and conditions to be updated on a reasonably regular basis. Barclaycard has sent out a notice of changes each time the terms and conditions have changed, and the most recent version of the terms and conditions are the ones which are active, and which govern the agreement.

Based on what I've seen, I'm unable to say that Barclaycard has done anything wrong or treated Mr C unfairly by notifying him that the interest rate was changing.

I've gone on to consider the service aspect of Mr C's complaint. Barclaycard has acknowledged that the agent who spoke to Mr C should've logged his complaint rather than referred him online. It has offered £25 compensation for the inconvenience caused to Mr C by the service failing. I'm satisfied that this sum is fair and reasonable and in line with what this service would award, so I won't be asking Barclaycard to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 20 November 2024.

Emma Davy
Ombudsman