

The complaint

Miss B complains that Barclays Bank UK PLC, trading as Barclaycard, irresponsibly provided her with a credit card and didn't support her with managing the account.

What happened

Miss B was provided with a credit card in July 2015 with a limit of £8,600. The credit limit was ultimately decreased to £3,000 in late 2016.

In summary, Miss B says she shouldn't have been given such a high credit limit, considering that her monthly salary was £1,000. She says she's generally been making minimum repayments, and the credit has caused her financial issues. She says she had to borrow elsewhere to reduce the balance. Miss B also says that Barclaycard should have intervened, given she was utilising a high portion of her available credit limit.

Barclaycard reviewed Miss B's complaint and said it had been brought too late under the rules that this service needs to apply. An Investigator here reviewed matters. In summary, she thought a complaint about the original lending decision had been brought too late under the relevant rules. That is, more than six years after the event complained of, and more than three years from the point Miss B ought reasonably to have been aware of cause for complaint. However, she thought we could consider a complaint about an allegedly unfair relationship. In doing so, however, she didn't recommend that the complaint be upheld.

Barclaycard didn't respond to the Investigator's opinion. Miss B disagreed with the opinion, and mostly reiterated her previous points.

As an agreement couldn't be reached, the case was passed to me to decide. I discussed matters informally with Miss B however, ultimately, Miss B asked for a final 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.

Barclaycard thinks this complaint has been raised too late under the Financial Conduct Authority (FCA) Dispute Resolution (DISP) Rules, which set timescales within which complaints need to be brought to this service. Our Investigator explained why she didn't think we could look into a complaint about the provision of the credit card. But she said she thought Miss B was also complaining about an unfair relationship as described in Section 140A of the Consumer Credit Act 1974. And, she outlined why she thought the complaint about an allegedly unfair relationship had been brought to this service in time.

For the avoidance of doubt, I agree with this reasoning. I've considered that Miss B says she previously raised a complaint about matters some years before, on the phone. However, neither party has provided evidence of the complaint having been received by Barclaycard. That being said, as outlined, I think this service is able to consider the complaint about an allegedly unfair relationship anyway. It follows that the rest of this decision will focus on the

merits of that complaint. While I acknowledge that Barclaycard still doesn't agree we have jurisdiction over the complaint, having now considered all the available information, I've decided not to uphold it, so I won't comment on jurisdiction further.

As our Investigator explained in her opinion, in deciding this complaint I'm required to take account of relevant law, amongst other things. I've interpreted Miss B's complaint as being about the fairness of the relationship between a borrower and a lender – Miss B and Barclaycard – arising out of a credit agreement. I say this because Miss B is clear that she thinks Barclaycard's decision to provide her with credit was irresponsible, and the impact of being lent the credit was that she struggled to manage it and had to borrow further to do so.

Therefore, given I think Miss B is complaining about Barclaycard's perpetuation of an unfair relationship, relevant law here includes Section 140A, Section 140B and Section 140C of the Consumer Credit Act 1974.

As our Investigator outlined, S.140A of the CCA says that a court may make an order under S.140B if it determines that the relationship between the creditor (Barclaycard) and the debtor (Miss B) arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement;
- the way in which the creditor has exercised or enforced any of his rights under the agreement;
- any other things done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship.

S.140B sets out the sorts of orders a court might make – these are wide powers, including to change the terms of the agreement, reduce the amount owed or require a refund, or to do or not do any particular thing. I've kept this in mind as relevant law in deciding what's fair and reasonable in all of the circumstances.

I'll first consider whether Barclaycard's decision to provide Miss B with the credit card created an unfair relationship. To do this, I've kept our general approach to complaints about unaffordable and irresponsible lending in mind, including the relevant key rules, guidance and good industry practice.

Barclaycard recorded Miss B's annual income as around £22,000, which it converted into a net monthly income of close to £1,300. Miss B's application showed she was living with parents. After calculating Miss B's expenditure, Barclaycard recorded that she had a monthly disposable income of close to £700.

Barclaycard carried out a credit check showing that Miss B was generally managing her existing accounts well and had total debt of around £10,000 – with only a small portion of this being revolving debt.

Our Investigator thought Barclaycard ought to have asked more questions before lending, given the value of Miss B's external debts and the amount of the proposed lending. In the circumstances of this case, I don't think that's unreasonable. Barclaycard ought to have found out more about Miss B's circumstances – including more information about her committed expenditure – before providing her with the credit card.

This service asked Miss B to provide bank statements from around the time the lending decision was made, to piece together what Barclaycard likely would have seen had it asked further questions about her financial circumstances. Whilst Miss B did provide some statements, these revealed that she held other accounts at the time, and Miss B was unable to provide these statements despite this service's request. So, there isn't a full picture of her circumstances here.

That being said, I've carefully reviewed the information I do have available. Miss B says she wasn't paying rent at the time of the lending decision. Having reviewed the available information from the statements – particularly Miss B's committed expenditure – I think further checks would have revealed she had enough disposable income to make sustainable repayments towards the card and that it was likely to be affordable for her. It follows that I don't think there's enough to say Barclaycard made an unfair decision to provide an initial limit of £8,600.

Whilst I've decided that there isn't enough to demonstrate that the lending decision was unfair, it's important for me to consider the impact of that lending decision on the overall relationship between Miss B and Barclaycard. Indeed, Miss B says the impact of being provided with the credit card caused her financial issues.

Barclaycard was required to monitor Miss B's record for signs of financial difficulties. Having reviewed the available information, there were examples of the credit limit being exceeded. However, I'm conscious that the credit limit was reduced to £3,000 in late 2016, which Barclaycard says was following a payment from Miss B which brought the balance below this limit, which likely would have been to help Miss B's position. And, prior to this, it seems there was only one charge applied as a result of the limit being exceeded.

Following this, from 2017-2019, there were 11 more occasions where a charge was applied as a result of the account being over the limit. It could certainly be argued that there was some potential unfairness that occurred over this period where the limit was exceeded, and charges were applied as a result. That being said, I've also thought about how the account was managed thereafter to determine whether things continued in that way over the course of the relationship.

From 2020 to mid-2024, whilst there were some months where the limit was exceeded, it seems that Barclaycard didn't apply any charges as a result of this. It's clear Miss B was mostly using a high portion of her available credit limit. That being said, she was also generally making payments in line with the requirements of the account – sometimes paying significantly more than the minimum payment. I appreciate Miss B says that this was at the expense of using funds from elsewhere, or being gifted funds. However, I've not seen that Barclaycard would have known that this is how Miss B was generally making repayments. So, I'm persuaded that it appeared that Miss B was, more often than not, able to manage the card as expected. Considering this, and the fact that Barclaycard appeared to not apply any more fees, I'm persuaded that any potential unfairness that was caused previously had been corrected.

In her submissions, Miss B says she was using the card for cash advances. It's important to outline that using the card for cash advances, in isolation, doesn't necessarily mean there are problems to the extent that I'd expect Barclaycard to have taken more action. So, considering this in the context of all the other information about the account, including the repayments Miss B was making, I'm not persuaded this means the relationship between the parties remained unfair.

I've considered that Miss B says she raised concerns about the affordability of her account with Barclaycard around the time that the limit was reduced to £3,000. I'm conscious that

neither party's submissions evidence that Barclaycard received this complaint, which isn't unreasonable given the length of time since Miss B says this happened. But either way, I'm not persuaded that this changes the overall findings I've reached. I say this because I've already explained that it's certainly arguable that the relationship was unfair around this time. However, for the reasons I've explained above, I'm satisfied that any potential unfairness from this time corrected itself in the years that followed.

In conclusion then, given all the circumstances of this complaint, I don't think Barclaycard acted unfairly or unreasonably here, and I don't think the credit relationship between Miss B and Barclaycard would be viewed as unfair under S.140A Consumer Credit Act 1974. It follows that I don't uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint for the reasons outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 12 June 2025.

Hana Yousef
Ombudsman