

## The complaint

Mr H complains that Barclays Bank UK PLC trading as Barclaycard offered him a credit limit increase but failed to implement it.

## What happened

Mr H holds a credit card account with Barclays.

In July 2024 Mr H received a letter from Barclays which stated that his account had been identified for a £1000 credit limit increase which would be effective from 27 August 2024.

On 27 August Mr H used the card to purchase some items. He later received a text advising him that he had gone over his credit limit.

Mr H called Barclays and queried the text. He was advised by an agent that the letter he'd received about the credit limit increase required him to text in response to take advantage of the credit limit increase. Mr H disputed this and said the letter didn't state that he had to respond. The agent then advised Mr H that the increase was subject to final checks which could be carried out at any time up until the credit limit increase and that the increase wasn't guaranteed.

On a further call, which Mr H made after receiving a letter dated 28 August advising him that the credit limit increase wouldn't be applied, the agent advised Mr H that exceeding the credit limit wouldn't have had an impact on the final checks.

Mr H complained to Barclays. In its final response, Barclays said it agreed that it had provided incorrect advice on the calls and said the overall level of service could've been better. It offered £150 compensation for this. In relation to the credit limit increase, Barclays said the letter wasn't a guarantee that the increase was going to take place and that it contained a warning not to use the increase until it could be seen on the account or until Barclays had confirmed that it had been applied.

Mr H remained unhappy and brought his complaint to this service. He says his credit file was affected. He wants his credit file amended and further compensation.

Our investigator didn't uphold the complaint. He said that the credit limit increase letter had warned Mr H not to use the increased limit until he'd been notified, or until the increase was reflected on his account. The investigator said he agreed that Barclays had provided misinformation and that the compensation offered was reasonable.

Mr H didn't agree. He said that if Barclays had processed the credit limit increase within the timescales, they had given him, the final checks would've been carried out on 26 August and he would have been notified whether or not the credit limit increase had been applied on 27 August. Mr H said he believed that Barclays had lied to him about what was in the letter and about the fact that being over the limit would have no impact on the final checks.

Because Mr H 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 H, 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 those points which are most relevant to my decision. If I don't comment on a 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 credit limit increase letter. The letter states that Mr H's account has been selected for a £1000 credit limit increase from £6500 to £7500. The letter states that the proposed new credit limit will have an effective date of 27 August 2024. It also set out the options for declining the increase, stopping future increases or accepting the increase (in the case of the latter, by texting "accept" or by taking no action). The letter states that the increase is subject to final checks and contains the following warnings:

*"If we think an increase isn't right for you, we won't apply it"*

*"We'll let you know if your credit limit increase has gone through, so keep checking your account and looking for updates from us. Please don't use the increase until you see it on your account, or we confirm its been applied "*

Having reviewed the letter, I think Barclays have clearly communicated that the credit limit increase isn't guaranteed and that the increase shouldn't be used until it has been confirmed.

I haven't seen any evidence to suggest that Barclays confirmed the credit limit increase on or before 27 August 2024.

I can see that Mr H used the card to make purchases on 27 August 2024 which caused the credit limit to be exceeded. Mr H has said that he did this on the assumption that his credit limit had been automatically increased. I appreciate that Mr H may have assumed that the credit limit increase would be applied. However, looking at the letter, there is a very clear warning that the increase isn't guaranteed and that it shouldn't be used until it has been confirmed. It was Mr H's choice to use the card and exceed the credit limit before receiving confirmation that the increase had been applied.

Because of this, I'm unable to say that Barclays misled Mr H into thinking that the credit limit had been applied. Nor am I able to say that Barclays made an error by sending Mr H a notification that he had exceeded the credit limit, or that it incorrectly reported the fact that the credit limit has been exceeded on Mr H's credit file.

I've gone on to look at what happened when Mr H contacted Barclays having received the notification that he had exceeded the credit limit.

Mr H called Barclays on 27 August. The agent advised Mr H that he was required to opt in for the credit limit to be applied and that the credit limit would be applied later that day. Barclays has acknowledged that this information was incorrect. The letter is clear that a customer is not required to take any positive action if they are happy for the proposed credit limit increase to be applied (subject to final checks). Mr H has said that the agent lied to him on the call. I appreciate that Mr H feels very strongly about this but having thought about this and reviewed the letter, I think it's more likely that the agent mis-read the letter and gave

incorrect advice.

I understand that Mr H feels that Barclays should be held to the advice the agent gave. However, I don't agree. The credit limit increase was always subject to final checks and not guaranteed. But even if the credit limit increase had been applied later that day, Mr H had already used the card and exceeded the credit limit prior to the incorrect advice being given by the agent.

Mr H has made several points about Barclays not following its own timescales and not finalising the credit limit increase on 27 August. He's said that if Barclays had followed its timescales correctly, the credit limit increase would have been processed (or not, as the case may be) overnight on 26 August so that the decision could be communicated on 27 August.

I understand the points that Mr H has made. However, I haven't seen any evidence to show that Barclays was obliged to make the lending decision at any particular time. There's nothing in the letter which states the time by which the increase would be applied on 27 August. And I come back to the warning in the letter which is clear that the increase isn't guaranteed and shouldn't be used until it has been confirmed.

I can see that a decision not to increase the credit limit was communicated to Mr H on 28 August. I agree that this is one day later than Mr H ought reasonably to have expected the decision. However, whilst I agree that there was an unexplained delay in communicating the decision to Mr H, I can't fairly say that this delay was the cause of Mr H exceeding the credit limit the previous day.

Taking all the available information into account, I agree that Barclays gave incorrect advice to Mr H on the calls. But I'm unable to say that the incorrect advice was the cause of Mr H exceeding the credit limit.

I think Barclays could've provided better service here. Barclays has recognised this and has offered compensation of £150 which I think is fair and in line with what this service would award.

### **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 H to accept or reject my decision before 27 February 2025.

Emma Davy  
**Ombudsman**