

The complaint

Mr R has complained that Barclays Bank UK PLC, trading as Barclaycard, unfairly reduced his credit card limit, without adequate consideration or communication.

What happened

Mr R has been a long-term customer of Barclaycard. However, he has complained that it wrote to him to say his credit limit was being reduced, and that would be effective shortly afterwards. Mr R brought a complaint to our service.

One of our investigators looked into what had happened. He could see from the terms and conditions of the account, that Barclaycard could reduce the credit limit, and could do so without giving notice. In this case, it had written to Mr R to explain: *"We want to make sure no one's borrowing more than they can comfortably afford, so we keep an eye on your account and check your credit limit. We look at things like whether you've missed any payments or been late, and we check in with Credit Reference Agencies."*

He also thought about whether Barclaycard had behaved unfairly. He could see that it had reduced the credit limit, as it had received an alert from a credit reference agency. In such cases, it typically takes action, such as it did here. But it has also explained that Mr R can apply for an increase in the future. And, if he has any concerns about his credit file, he should contact the credit reference agencies.

Mr R disagreed. In summary, he feels that Barclaycard has displayed a 'computer says no' attitude, and failed to take into account his long history as a customer, and his individual circumstances.

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.

Having done so, I agree with our investigator, and for the same reasons he gave. I know this will be disappointing for Mr R, but I'll explain why.

Under the terms and conditions of the account, Barclaycard is entitled to reduce the credit limit. In this case, it wrote to Mr R to say it was doing so. Ultimately, this was an exercise of its own commercial discretion, and I can't see that it was inherently unfair. Barclaycard (and other finance providers) are required to take steps to ensure products are affordable, and this is what happened here. I appreciate that Mr R feels there are other factors that should have been taken into account, not least his long-standing relationship with Barclays/Barclaycard. But I don't agree that this is relevant to Barclaycard's decision, as it must treat all customers fairly.

I know Mr R feels disappointed and frustrated. But he can apply for an increase, and I think this is fair.

My final decision

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 17 March 2025.

Elspeth Wood
Ombudsman