

The complaint

Mr A complains Barclays Bank UK Plc reduced his overdraft limit on his current account unfairly – and provided him with poor customer service when he raised concerns regarding this.

What happened

I issued a provisional decision setting out what'd happened, and what I thought about that. I've copied the relevant elements of this below, and they form part of this final decision.

On 29 September 2023 Barclays sent Mr A a letter telling him they were planning to reduce his overdraft from £3,000 down to £2,000. They said if Mr A didn't want his overdraft limit reduced, then he could text to tell them this by 13 November 2023. If he didn't contact them by this date, then they'd reduce his overdraft limit on 23 November 2023.

Mr A didn't see this letter until after the deadline, as he'd been abroad for an extended period of time. He contacted them on 17 November 2023, and says he was told they wouldn't reverse the decision to decrease his overdraft limit. After raising a complaint, Mr A had further issues – including being told to reapply for the £3,000 limit which was subsequently turned down. Mr A was also told the decision on this would happen within two days, but he didn't get contacted until the sixth day.

Unhappy with all these issues, Mr A asked us to look into things. As part of our standard practice, we asked Barclays for their version of events.

Barclays said Mr A hadn't used his £3,000 overdraft in recent months and following a review of the lending facilities decided to reduce it. They said they wrote to him on 29 September 2023 by letter, but also uploaded a copy of this letter so it could be viewed on the app and his online banking. They said they were sorry Mr A didn't see this until he returned, but he'd passed the deadline for confirming the overdraft at that point.

One of our Investigators considered things – in brief she felt Barclays hadn't done enough to notify Mr A about the possibility of the overdraft being reduced, and thought they'd handled his phone calls with them poorly. So, she said Barclays should reinstate the £3,000 overdraft, remove the credit search carried out when Mr A reapplied for the overdraft, and pay him £400 compensation.

Mr A accepted this, but Barclays didn't. They said they're required to conduct reviews on lending facilities. They'd contacted him by letter as well as online – and could see he'd been online – so had the opportunity to act. As for the credit search it was factual information that Mr A had applied for an increased overdraft, so they didn't think they'd done anything wrong there. Barclays didn't mention the compensation but didn't agree to any of our Investigator's recommendations. As a result of that, the complaint's been passed to me to decide.

What I've provisionally 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.

Overdraft reduction

Barclays said they uploaded a copy of the letter online on 3 October 2023 – so Mr A could see it if he was logging in to the app, or online banking. They've provided evidence he logged on to the app between then and 13 November 2023 (deadline for him to text to confirm he wanted to keep the overdraft) every day bar three days. Barclays' evidence shows Mr A didn't access his online banking during the same period.

Mr A said when initially referring the complaint to our service that Barclays should have provided the information by a different method – knowing the postal system isn't as reliable as it used to be. When responding to our Investigators questions about the Barclays app, he said he may have accessed it very quickly to check his balances but not to use Barclays' services. And he didn't think he'd received any texts or calls from Barclays about this. Mr A says he can see Barclays did send him a message to his app, and an email to him on 30 October 2023, but as he was on holiday he didn't read them.

As a starting point, I've seen nothing to suggest Mr A told Barclays he was going to be away for eight weeks. While he doesn't have to do that, it's possible had he done so Barclays may have done something different.

That said, Barclays have provided evidence to show they uploaded a copy of the letter online for Mr A to be able to access in the app or on the online banking. They've also shown us they sent an email – both of which Mr A has confirmed he received – but has also said he didn't read them because he was on holiday.

My role is to decide if I think Barclays did anything wrong. Although our Investigator felt Barclays should have done more, I don't agree with that. I think Barclays wrote to Mr A by letter – not knowing he wasn't there. They then uploaded a letter which he could access through the app – which he accessed almost every day for eight weeks but didn't read Barclays' letter. And Barclays sent him an email confirming he needed to look at a letter they sent him – which he chose not to do.

I do understand Mr A was on holiday and wasn't expecting to have to deal with any financial commitments. But, against the backdrop of asking what Barclays did wrong, I don't think they did – so I won't be asking them to reinstate Mr A's overdraft limit.

Overall, Mr A was notified about this, he didn't reply until after the deadline had expired – so Barclays went ahead with reducing his overdraft limit as they said they would.

Overdraft application process

After not being successful in his complaints to get his overdraft limit reinstated, Mr A then made another application.

Our Investigator didn't look into this issue, because she felt it was right for the overdraft to be reinstated and said the credit search should be removed – so this issue would fall away under her outcome.

Generally speaking it's for Barclays to decide whether they want to lend or not – and as long as they've turned down an application for fair and non-discriminatory reasons it's unlikely we'd say they've done anything wrong. In addition, Barclays are required to share with Mr A the main reason they've turned down his application – along with allowing him to appeal this decision and it being individually assessed by a member of Barclays' staff.

Mr A did make a new application for the overdraft to be increased from £2,000 to the £3,000. I've listened to the call on 28 November 2023 when this application was put through. The agent explained on the call the application was turned down – but it could be appealed which Mr A said he wanted to do.

The agent took all the relevant details, and said she'd sent it across.

I'm aware Mr A said he'd be contacted within two working days, and the agent suggested he'd be contacted by 1 December. The call though wasn't unfortunately made until 4 December 2023.

In this call, the agent explained Mr A didn't meet their overall scoring criteria – and part of the reason for that was the type of transactions going through his account – which included gambling transactions.

Although I think the delay was frustrating for Mr A, I've not seen anything to suggest he was significantly impacted by the delay – and, in any event, the application was turned down. So, Mr A wasn't delayed in accessing the increased overdraft limit – because it wasn't granted. I've also seen nothing in Barclays' process when assessing his application to suggest they've acted unfairly or in a discriminatory way. So, I don't think they did anything wrong in turning down his application.

Credit search on his credit file

In the first call on 28 November 2023, Mr A has explained the full circumstances, and Barclays' agent tells him the only way he may be able to get the increased limit back is if he makes another application. And they tell him, several times, that this may involve a credit search. So, I think Mr A was aware a credit search would take place when the application was completed.

This was then reiterated in the later call on the same day when he carried out the application – and the agent spent a bit of time reading out information regarding this. Mr A was asked if he wanted to receive any further information and he said he didn't.

Overall, I'm satisfied Mr A was made aware a credit search would take place – and he wanted to make the application so I don't think Barclays have done anything wrong on this point.

How Barclays handled the phone calls

Having listened to all of the calls, I do think Mr A has experienced some frustration with things like long wait times and calls sometimes being cut off. But, I've not been able to identify Barclays are directly responsible for those issues to the point they've done something wrong.

I can see our Investigator recommended £400 compensation – in large part because of the way the calls themselves were handled by Barclays' agents.

But, having listened to the calls, I can't agree they've handled them badly. I think every agent who Mr A spoke to did try their best to help him. I understand he'll feel frustrated by things, but I think that was more to do with Barclays' decision more than the calls themselves.

Complaint handling

Mr A has also raised some concerns about the way Barclays handled his complaint. Complaint handling on its own isn't a regulated activity – so it isn't generally something I can make a finding on.

But, I thought it might help to explain the following:

- *In the very first call on 17 November 2023 Mr A was told by Barclays' agent she'd register a complaint, and then he could take the matter to our service. She said this is because she'd explained the outcome on the phone to him. This is known as a Summary Resolution Communication (SRC).*

Because Barclays issued an SRC, saying they'd resolved the complaint by explaining it on the phone – that's why Mr A received a request for feedback. As far as Barclays were concerned, they'd explained all they intended to at this point and had marked his complaint as resolved because of that.

Responses to my provisional decision

Mr A said he was naturally disappointed with my decision. I've summarised what I consider to be his most relevant key points:

- Did I know he was on a long-haul trip for two months – not a short European break – if it'd been a shorter holiday he could have looked at correspondence and easily dealt with the matter
- He doesn't need to check letters on holiday, and Barclays could have extended the deadline as it was only a few days – he felt they could have been more sympathetic to a valued and long-standing customer
- I didn't mention he was a Premier customer of Barclays and should be treated with a higher service level
- I didn't mention he had a credit card with them with a limit of £8,000 – so they obviously see him as a reliable customer
- He asked if I'd listened to the calls – as he felt they were unacceptable

Overall, Mr A felt a bit of compensation because of Barclays' poor and unacceptable behaviour would have been a fairer outcome. Barclays replied and said they had nothing further to add.

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 Mr A is disappointed with my provisional decision. I'll address his comments but, as a reminder to Mr A, the test I'm applying is whether I think Barclays did anything wrong.

I was aware Mr A was away for two months, and if he'd been away for less time then he'd have been able to deal with the letter. I understand that. But, as I said in my provisional decision, Mr A was also sent emails about the letter, and logged in almost every day he was away to his online banking app – where the letter was waiting for him to read. So, I'm satisfied Barclays did more than enough to ensure they gave Mr A time to see what they were planning to do.

I've noted Mr A's comments he doesn't need to check letters while he's on holiday. But that is his choice to make, and it isn't something I can say Barclays did wrong. Mr A is right,

Barclays could have chosen to extend the deadline, but they've made it clear they didn't want or intend to. So, in those circumstances, I can't just decide they should have extended the deadline without a reasonable basis to do so – and that reasonable basis would be because they've done something wrong. As I couldn't find they did do anything wrong, then it wouldn't be fair of me to require Barclays to extend the deadline they'd set and communicated in multiple ways very clearly.

I didn't mention Mr A was a Premier customer because, in my view, that wasn't something I'd necessarily take into account. Barclays may wish to provide some customers with a higher level of service – and that's their call to make. In Mr A's case, Barclays decided not to do what Mr A wanted – so, in effect, I'm just left to decide if they've done something wrong. Based on everything I've explained in my provisional decision, I can't see that they did.

In respect of the £8,000 credit limit on his credit card, I didn't mention this because again I'm afraid I didn't deem it relevant to Mr A's complaint. The first issue was whether Barclays had reduced his overdraft fairly – I thought they had. The next issue was about whether they'd then turned down his overdraft application fairly – again I found they had. In the circumstances, I can't say Mr A having an £8,000 credit limit on a credit card with them means they've automatically done something wrong on his current account.

For the phone calls I did listen to each call. I understand Mr A feels they were handled in an unacceptable way – but I can't agree with that. Given I don't think Barclays did anything wrong in the actions they took, their responses to him on the phone were in line with what I'd expect. If I felt Mr A was right, and Barclays should have done something different or had done something wrong, then I might agree they'd not handled the calls well or fairly. But, as I've set out above, I don't think Barclays have done anything wrong.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 13 February 2025.

Jon Pearce
Ombudsman