

## The complaint

Mr O is unhappy that Barclays Bank UK plc trading as Barclaycard ('Barclaycard') reduced his personal credit card limit from £20,000 to £250.

Mr O would like Barclaycard to increase his credit limit to £5,000 and pay him compensation for the distress and inconvenience this matter has caused him.

## What happened

Barclaycard sent Mr O a letter to say they were reducing his credit card limit from £20,000 to £250, following a review of his account and information collected from the Credit Reference Agencies.

Mr O telephoned Barclaycard to complain and asked for this to be reconsidered, saying he'd be content with a £5,000 limit. Barclaycard referred the matter to their manual underwriting team for review but didn't change their decision.

Barclaycard rejected Mr O's complaint but indicated Mr O could apply for an increased limit in six months' time, although they couldn't guarantee the outcome would be successful.

Mr O was unhappy with Barclaycard's position and referred his complaint to our service. He said Barclaycard had given him a business credit card in his name with a £3,000 limit so his personal credit account limit shouldn't be so low. He noted that whilst he'd received a County Court Judgment ('CCJ') around the time of Barclaycard's review, he'd paid it within 30 days.

Our investigator considered this matter but didn't think Barclaycard had treated him unfairly by acting in accordance with the terms and conditions of his account, so they didn't uphold Mr O's complaint.

Mr O responded that Barclaycard were using his credit file to assess both his personal and business credit card account limits, so it made no sense that his personal credit card limit was £250. Mr O also referred to his current credit score and said he had good financial standing.

## My provisional findings

I recently issued my provisional findings in relation to this complaint, as follows:

*"I have looked at all the evidence and information to decide what is fair and reasonable in the circumstances of this complaint. I've taken into account the relevant law and regulations, the regulator's rules, guidance and standards, codes of practice, and (where appropriate) what is considered to have been good industry practice at the relevant time.*

*I recognise this will be disappointing for Mr O but I don't intend to uphold his complaint, although my reasoning differs slightly to our investigator's.*

*The nub of Mr O's complaint is that Barclaycard reduced his credit limit dramatically, which he feels is unfair. I recognise Mr O's concern that Barclaycard used information from his*

credit file to assess both his personal and business credit card account limits, which he considers is in good shape, so he understandably questions why the lending decisions are so different and why the reduction in credit was substantial.

I think it would be helpful to explain the role of the Financial Ombudsman Service is to resolve individual complaints based on what is fair and reasonable in the circumstances of each case. It is not for this service to interfere with a firm's processes, systems or controls, nor fine or punish a business, as that is for the Financial Conduct Authority to consider as the regulator.

This means I can't direct Barclaycard to lend money to Mr O nor can I interfere with Barclaycard's lending criteria for the various products they offer.

I think it might help Mr O to know that credit scores tell individuals about their financial standing, but they are not used by lenders as they have their own scoring thresholds. So even though Mr O may have a high credit score, this doesn't mean he will automatically satisfy Barclaycard's lending criteria and qualify for a certain credit limit, as this decision will be subject to various considerations and will reflect the level of risk Barclaycard wish to take on the product they're offering.

I'm also minded to say that Barclaycard are likely to have different considerations for their personal and business lending decisions. So I can't say that just because Barclaycard could give Mr O a £3,000 credit limit for his business banking, that something has gone wrong when assessing his personal credit limit.

What I'm looking at is whether Barclaycard treated Mr O fairly when they reduced his credit limit in relation to his personal credit card.

The terms and conditions of Mr O's account state:

**"6. Credit limit**

We set your credit limit according to your circumstances, your account usage and history, information from other parts of the Barclays group, information we receive from credit reference agencies, and any other information we think is relevant.

We'll tell you what your credit limit is when we first open your account. We'll then review it from time to time. If we change your credit limit, we'll write to let you know.

**12. Managing your credit limit**

... We won't reduce your credit limit to less than your total outstanding balance, plus any transactions authorised but not yet charged to your account."

I'm inclined to say Barclaycard acted in accordance with these terms and conditions. This is because Barclaycard notified Mr O that they'd reduced his limit following a review of his account and his credit file, and explained they wanted to ensure Mr O wasn't borrowing more than he could comfortably afford. And it's clear from Mr O's statements of account that Barclaycard didn't reduce Mr O's credit limit below his outstanding balance at the time, which was less than £250.

Barclaycard told this service that when setting the new limit they'd considered Mr O's typical level of spending on the card as he wasn't using the full £20,000 facility. And when notifying Mr O of the changes, I can see Barclaycard referred Mr O to independent sources of help with money matters, and the Credit Reference Agencies, as well as inviting him to contact their own customer service team. I'm inclined to say this demonstrates that Barclaycard

*considered how the reduced credit limit may affect Mr O's ability to manage his finances, and signposted him to appropriate support, which is what I'd expect in these circumstances.*

*I also note that at Mr O's request Barclaycard undertook a manual review of their decision, which I think was good industry practice. This didn't result in any increase to Mr O's credit limit, but Barclaycard were able to confirm that a human had checked their process had been correctly followed and there hadn't been any error with how they'd set Mr O's new credit limit.*

*I sympathise with Mr O that the reduction was significant, and this has been upsetting and frustrating for him. However, from the evidence before me I can't say anything went wrong when Barclaycard reduced his credit limit, or that Barclaycard treated him unfairly when they did this. Ultimately, Barclaycard can review their customers' credit limits and can reduce them in line with their terms and conditions and their regulatory obligations. This is a business decision for Barclaycard to take, just as Mr O can decide who he banks with.*

*Taking all of those factors into account, I intend to say Barclaycard have treated Mr O fairly and reasonably in the circumstances of this complaint, and that I don't require them to take any action here."*

#### Responses to my provisional findings

I gave the parties the opportunity to provide any further evidence or comments in response to my provisional findings.

The time for doing so has now passed, and neither party has provided anything further for me consider.

#### **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, and in light of no further comments from the parties, I see no reason to depart from my provisional findings. My decision is that I don't uphold this complaint, for the reasons set out above.

#### **My final decision**

For the reasons I have outlined, my final decision is not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 28 February 2025.

Clare Burgess-Cade  
**Ombudsman**