

The complaint

Mr W complains that Barclays Bank UK Plc increased his credit limit and allowed him to make a payment from his credit card account without intervention, when he was the victim of a scam.

What happened

Mr W fell victim to a cryptocurrency investment scam. The scammer encouraged him to borrow money to fund the scam. So, in December 2023, Mr W asked Barclays to increase the credit limit on his credit card from £2,000 to £3,000. Barclays asked Mr W some questions about his income and outgoings, and carried out a credit check. As a result, it declined to increase his credit limit to £3,000, but said it would agree to an increase to £2,400 instead.

Mr W then requested a transfer of £2,100 from his credit card account to a current account he held at another bank. From there Mr W used these funds to buy cryptocurrency as part of the scam he had fallen victim to.

When Mr W realised he had been scammed, he contacted Barclays to tell it what had happened. Barclays looked at what had happened, but did not agree it was liable for Mr W's loss, or that it had done anything wrong in approving his credit limit increase. Mr W was unhappy with this response, he maintained that Barclays should have done more to protect him from this scam both when he requested the credit limit increase and when he made the payment, so he referred his complaint to our service.

One of our Investigators looked into what had happened, but they considered that Barclays had treated Mr W fairly here. They said that Barclays had carried out proportionate checks before agreeing to increase Mr W's credit limit, and they did not feel that Barclays could reasonably be expected to have intervened in the payment Mr W made and so could not have reasonably prevented the payment from being made.

Mr W remained unhappy, he feels that Barclays should have done more to protect him given his particular circumstances, and that it is not fair for his credit file to be negatively affected by this given that he was the victim of a scam. So, as no agreement could be reached, this case has now been passed to me to decide.

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've reached the same conclusion as our Investigator, and for the same reasons.

Credit limit increase

Barclays needed to make sure it didn't lend irresponsibly. In practice, what this means is Barclays needed to carry out proportionate checks to be able to understand whether Mr W could afford to repay any credit it provided.

Barclays says it agreed to increase Mr W's credit limit by £400 (from £2,000 to £2,400) after it obtained information on his income and outgoings and carried out a credit search. And the information it obtained indicated that Mr W would be able to manage the credit limit increase it granted. On the other hand, Mr W says that he had already taken out other loans as a result of the scam and that Barclays should have identified this.

I've considered what the parties have said.

What's important to note is that Mr W was provided with a revolving credit facility by Barclays rather than a loan. This means that Barclays was required to understand whether an increased credit limit of £2,400 could be repaid within a reasonable period of time, rather than in one go. Mr W had been maintaining his existing credit limit of £2,000 with no issues for some time, and the agreed increase was modest, only £400, and so would have required limited additional monthly payments to repay, if Mr W used the full limit available.

Furthermore, I've seen records of the information Barclays obtained from Mr W about his income and outgoings, and I'm aware that Barclays carried out a credit check. It seems that Mr W had already taken out two loans prior to this credit limit increase being approved, but it's not clear if both those loans were yet showing on his credit file when Barclays carried out its checks. But in any case, it is evident that the information Barclays did see did not cause it any concerns regarding Mr W's ability to maintain the relatively low monthly payment that would be required for this credit card.

I understand that Mr W only requested this limit increase because he was being manipulated by a scammer, but I don't think Barclays could have reasonably been expected to identify that. In my mind, given the modest amount of additional borrowing it was agreeing to, Barclays carried out proportionate checks and I would not have expected it to do any more here.

So, overall, while I can understand Mr W's sentiments, I don't think that Barclays treated Mr W unfairly or unreasonably when agreeing to the credit limit increase. And given that Mr W's credit file should accurately reflect his borrowing, and the status of any accounts he holds, I can't agree that it would be reasonable to ask Barclays to amend the credit record regarding this account in any way.

Payment made from the account

It's not disputed that Mr W authorised the £2,100 payment that is the subject of this complaint. So as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr W is responsible for that payment. That remains the case even though he was the unfortunate victim of a scam.

Because of this, Mr W is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

But considering the value and nature of the payment, in the context of Mr W's account, I don't think there was anything that should have flagged to Barclays that Mr W might be at

risk of a scam. The payment was, in the context of the payments Barclays sees every day, not so high as to be remarkable. And while it was moderately high in the context of Mr W's usual account usage, it's not uncommon for people to make such one-off payments. And the payment was going to one of Mr W's own accounts, which would have reassured Barclays that the funds were remaining within Mr W's control. So, given that Mr W did not interact directly with Barclays regarding this payment, I don't think Barclays missed an opportunity to intervene.

Because of this, even though I accept Mr W was the victim of a scam, I don't think Barclays could have reasonably done anything to prevent his loss. I also don't think Barclays could have done anything to recover Mr W's loss here, given that the payment was made to one of Mr W's own accounts at another bank before being moved on to the scammer.

I appreciate that this will be very disappointing for Mr W, and I can entirely understand why he feels the way he does, but with all I've seen I don't consider that I can fairly say Barclays should be held liable for his loss or that it has done anything wrong in approving the credit limit increase or in how it has recorded information about Mr W's account on his credit file.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 July 2025.

Sophie Mitchell
Ombudsman