

The complaint

Mr A complains that Barclays Bank UK PLC trading as Barclaycard unfairly reduced his credit limit.

What happened

In early September 2024, Barclaycard told Mr A that it was reducing his credit limit from £400 to £150, following a review and information received from the credit reference agencies (CRAs).

Mr A contacted Barclaycard to complain about the reduction and asked for it to be reconsidered. Barclaycard referred his request to its manual underwriting team but this didn't change its' decision.

Our investigator didn't uphold Mr A's complaint. He said that Barclaycard had given some insight into why it reduced Mr A's credit limit but that it wasn't required to give specific reasons for its lending decisions as these would be commercially sensitive. Our investigator thought Barclaycard was entitled to decide Mr A's credit limit and that it hadn't acted unfairly.

Mr A was unhappy with the investigation outcome. Mr A thought the unexplained reduction was questionable as it came shortly after he had raised a successful complaint against Barclaycard. Mr A said that he had maintained his account and had a clean credit report with no negative markers.

Mr A didn't think the investigation outcome addressed the timing of the reduction, whether Barclaycard adhered to its' terms and conditions and FCA guidelines and whether the lack of transparency aligns with good practice and fair treatment of customers.

Our investigator didn't think there was evidence of retaliation, particularly as Barclaycard appealed the reduction through its underwriter. Our investigator noted there wasn't any negative information on Mr A's credit file but said that Barclaycard had identified information which led it to reduce the limit and explained this to Mr A. So, our investigator thought Barclaycard acted in line with the terms of the account and had not treated Mr A unfairly.

Mr A wants Barclaycard to tell him what specific information it identified that led to the reduction. He thinks the timing of the reduction justifies a deeper review into whether Barclaycard came to the decision in a fair and unbiased way. Mr A asks us to consider whether Barclaycard acted fairly in line with its contractual obligations given there has been no financial deterioration on his part.

As Mr A's complaint has not been resolved informally, it has come to me to make a final decision.

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 that Mr A disagrees with our investigator's assessment of his complaint. But the purpose of my decision is not to address or answer every single point raised. Instead, my role is to consider the evidence and reach what I think is a fair decision.

I understand Mr A's frustration here - he would like a more detailed answer from Barclaycard. Particularly as he views the decision to reduce his credit limit with suspicion given his recent successful complaint against Barclaycard.

The terms of Mr A's account with Barclaycard allow it to reduce a customer's credit limit without notice based on an assessment of risk or ability to repay. This is a commercial decision which Barclaycard was entitled to make. This service can't require Barclaycard to disclose the specific information it relied on when deciding to reduce Mr A's credit limit. This is because the criteria on which lenders make decisions and conduct lending reviews is business sensitive.

What this service can do, is to look at whether Barclaycard treated Mr A fairly and reasonably when it made the decision to reduce his credit limit. In this case, Barclaycard has shared information with us on a confidential basis. Having read this, I have not seen anything to suggest that Barclaycard made a mistake or treated Mr A unfairly when it decided to reduce his credit limit. I am also satisfied that Barclaycard treated Mr A fairly when it referred the decision to reduce his credit limit to its' manual underwriters for review.

The Standards of Lending Practice set down by the Lending Standards Board, says that if a customer's application for credit is declined, the lender will give the main reason for this if requested. And if a customer's application is declined due to information obtained from a CRA, the lender should direct the customer to obtain a copy of the information held about them from the relevant CRAs.

I think Barclaycard fulfilled its obligations under the Standards of Lending Practice. It explained it had reduced Mr A's credit limit following a review of information provided by the CRAs, in relation to behaviour with another lender. And it directed him to the three main CRAs to obtain copies of the information they held about him. Barclaycard has already suggested to Mr A that he views his credit reports held with the CRAs. I don't know whether he has done this, but it seems a reasonable suggestion.

I don't have enough evidence to conclude that Barclaycard reduced Mr A's credit limit in retaliation for the fact that this service asked it to pay compensation for an earlier complaint.

Overall, I don't find that Barclaycard made a mistake or treated Mr A unfairly so I don't require it to do anything further.

My final decision

My final decision is that 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 9 April 2025.

Gemma Bowen
Ombudsman