

The complaint

Mr G complains that Barclays Bank UK PLC trading as Barclaycard reduced the credit limit on his credit cards.

What happened

Mr G holds two credit cards with Barclays.

On 8 October 2024 Barclays wrote to Mr G and advised him that the credit limit on the card ending 004 was being reduced from £7100 to £1500. On 11 October 2024 Barclays wrote to Mr G and advised him that the credit limit on card ending 002 was being reduced from £10,100 to £150.

Mr G was on holiday abroad when the credit limits were reduced. He complained to Barclays. He said he didn't receive any notification that the credit limits were being reduced and that it severely affected his holiday.

Barclays didn't uphold the complaint. It said it had reduced the credit limit in line with the terms and conditions of the account.

Mr G remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. He said that the terms and conditions of the agreement allowed Barclays to reduce the credit limit at any time. The investigator said that Barclays hadn't made an error or treated Mr G unfairly or unreasonably when it reduced the credit limit.

Mr G didn't agree. He said his credit rating had dropped as a result of Barclays actions which had impacted on his application for a mortgage. Mr G said he had also had a transaction declined on the credit card as it would've taken him over the low credit limit. Mr G said he wanted to know the reason why his credit limit had been reduced.

Because Mr G didn't agree I've been asked to review the complaint.

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 it will disappoint Mr G, but I agree with the investigators opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've reviewed the terms and conditions of the account. These state that Barclays can reduce the credit limit at any time. Mr G accepted these terms and conditions when he took out the

card and signed the credit agreement.

I've thought about whether Barclays acted fairly and reasonably when it reduced the credit limit. I'm unable to provide Mr G with the specific reason why the credit limit was reduced, because this is commercially sensitive information. However, I've reviewed the information provided by Barclays and based on what I've seen, I'm satisfied that it was reasonable for Barclays to reduce the credit limit.

I can see that Barclays sent a letter to Mr G advising him that it was reducing the credit limit. It was unfortunate that Mr G was abroad when the letter was sent, and I understand how frustrating it must've been for him to suddenly find that he couldn't use his card. However, I haven't found any evidence that Barclays were aware that Mr G was abroad. Nor have I seen anything to suggest that Barclays made an error by reducing the credit limit. It acted in line with its policies and procedures by sending a letter to Mr G notifying him about the credit limit reduction.

I understand Mr G's desire to know the reason why his credit limit was reduced. As I've said above, I'm unable to provide Mr G with this information. I would recommend that Mr G checks his credit file with one of the major credit reference agencies (Equifax, Experian or TransUnion) to check that any information recorded on there is accurate.

I'm sorry to hear that Mr G's mortgage application has been impacted by the drop in his credit rating. However, I'm unable to hold Barclays responsible for this, as there are many factors which can affect credit rating and, in this case, I haven't seen any evidence that it was solely as a result of the credit limit reduction that Mr G's credit rating changed.

Taking all the available information into account, I'm unable to say that Barclays has made an error, or that it has treated Mr G unfairly or unreasonably. I won't be asking Barclays to do anything further.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 April 2025.

Emma Davy
Ombudsman