

## **The complaint**

Mr P has complained that Barclays Bank UK PLC, trading as Barclaycard, unfairly suspended his credit card account.

## **What happened**

Mr P has three accounts, but this complaint relates to the credit card account that our investigator specified in her correspondence.

Our investigator could see that Barclaycard had considered Mr P to have persistent debt. He always made the minimum repayment – and sometimes paid more – but nonetheless, the account was in persistent debt for 36 months. And, during this period, Barclaycard had contacted Mr P on a number of occasions, advising him to increase his repayments.

Accordingly, Barclaycard took steps to address this. It wrote to him and a paydown plan was discussed, but Mr P didn't agree to it. So, it suspended the account, as per the account's terms and conditions.

Our investigator was satisfied that HSBC took appropriate steps to notify Mr P that his account was regarded as being in persistent debt. And it explained what he needed to do to rectify the situation. As he didn't accept the recommendations, it wasn't unreasonable for Barclaycard to suspend the account.

She also considered Mr P's concern about being charged interest, but was satisfied this was being charged on the outstanding balance, in line with the terms and conditions.

Mr P disagreed with our investigator's findings. In summary, he felt Barclaycard had incorrectly identified him as an indebted customer, when in fact, he'd had no problem with increasing repayments. And as he was making repayments, his income and expenditure wasn't Barclaycard's concern. He feels it's misleading to set out a minimum repayment in statements, but to ask for more in other correspondence. And, if it's going to change the scope of the service it offers, by suspending the account, it should let him know what interest rate it could offer him. He also felt he should be able to reduce his credit limit.

The complaint's now been passed to me.

## **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'm not upholding it. I know this will be disappointing, but I'll explain why.

Financial businesses are required to ensure that lending is affordable. And, if there is a concern, must take steps to address this.

Here, Mr P was making the minimum repayments required to stop the account defaulting (and sometimes paying more). So, when a minimum repayment is set out in a statement,

this is what it means. However, he was spending on the card, and accruing interest, such that it met the criteria for bring in persistent debt. So, I think it was responsible of Barclaycard to contact Mr P about this – and it was the appropriate thing to do. Ultimately, it suspended the card, as Mr P didn't agree to its proposals. Again, I'm satisfied this was responsible. I can see no reason why it should now change the interest rate – which is being charged in line with the terms and conditions.

I know Mr P feels an income and expenditure assessment is intrusive. However, it's what I'd expect it to do, where it appears a customer may be experiencing financial difficulties. If Mr P feels this is something he'd now like to do, I'd urge him to contact Barclaycard about it. I'd then expect it to respond positively and sympathetically to Mr P's circumstances.

As regards the credit limit, this remains constant, because the account has been suspended. But this doesn't prevent Mr P repaying the outstanding debt.

Finally, I'm aware that Mr P feels the regulatory system is flawed. But it's my role to look at the actions of individual businesses. If Mr P has broader concerns, he may wish to contact the regulator directly.

### **My final decision**

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 5 May 2025.

Elspeth Wood  
**Ombudsman**