

## **The complaint**

Mr L complains that Barclays Bank UK plc trading as Barclaycard ('Barclaycard') didn't give him a clear reason for declining to increase his credit card limit.

Mr L wants full reasons for the declination and for Barclaycard to recognise their actions are damaging for customers.

## **What happened**

Barclaycard declined to increase Mr L's credit card limit from £4,000 to £8,000 to accommodate a one-off purchase, which caused Mr L to complain.

Barclaycard didn't uphold Mr L's complaint. They said he'd not met their lending criteria for a credit limit increase, and they couldn't give him detailed reasons because this was commercially sensitive information. Barclaycard suggested their decision could have been reviewed manually but later confirmed an appeal wasn't appropriate in these circumstances.

Mr L referred his complaint to the Financial Ombudsman Service saying he thought Barclaycard needed to be more transparent about the reasons for declining to increase his credit limit. He said it was damaging to the sector to not enable customers' understanding of such matters and he cited the Consumer Duty.

Our investigator sought further information from Barclaycard and concluded that they hadn't treated Mr L unfairly in these circumstances. She considered the Consumer Duty didn't mean Mr L had to be given full reasons for the declination, which was commercially sensitive information, and that Barclaycard had done enough here to meet their regulatory obligations.

Mr L strongly disagreed. He thought Barclaycard ought to be able to manually review the decision and be honest with him about why he'd been declined. Mr L said there was no way of knowing if his application had been declined correctly, or if there was some discriminatory consideration at play.

## **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've taken into account any 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.

Having done so I agree with the findings of our investigator that Barclaycard haven't treated Mr L unfairly in these circumstances, and I don't uphold Mr L's complaint. I'll explain why.

I think it would be helpful to explain that the Financial Ombudsman Service doesn't have power to interfere with a firm's processes, systems or controls, nor to fine or punish a

business. These are considerations for the Financial Conduct Authority ('FCA') as the regulator.

This means that I can't address Mr L's concern that Barclaycard's actions are damaging to the sector generally. My role is to consider whether Barclaycard's actions towards Mr L were fair and reasonable in the individual circumstances of his complaint.

The FCA requires Barclaycard to comply with its Handbook of rules and guidance ('FCA Handbook') which contains a set of Principles. Mr L has cited the Consumer Duty – Principle 12 - to support his position that Barclaycard have not treated him fairly in this matter.

The Consumer Duty is a regulatory requirement for firms to put retail customers at the heart of their considerations, with an overarching principle that they *"must act to deliver good outcomes for retail customers."* This doesn't mean that Mr L must get the outcome he wants.

In the context of this complaint, it means I'd expect Barclaycard to enable and support Mr L to pursue his financial objective. I think Mr L is right that this involves helping him to understand what's happened with his application, in case he wants to apply for more credit in future.

However I don't agree that Barclaycard need to divulge aspects of their lending criteria or decision-making process to Mr L to support him with this. There is no obligation on Barclaycard to share commercially sensitive information with Mr L here.

Barclaycard are subscribed to the Standards of Lending Practice - a voluntary set of lending practices for UK lenders – and this sets an expectation that Barclaycard will give the main reason for refusing an application for credit.

I think Barclaycard did this in their final response letter dated November 2024, in which they explained to Mr L that their decision was based on several factors, to include the management of his account and information from the Credit Reference Agencies ('CRAs'). I think Barclaycard's reasoning for the declination was sufficient to discharge their obligations towards Mr L and put him on a path to discovering what he might need to address, before applying for more credit in future.

I recognise Mr L doesn't feel this is detailed enough to be helpful to him, and that it's been difficult for him not to have the exact answer to why Barclaycard wouldn't double his credit limit.

Our investigator commented that, with the Consumer Duty in mind, Barclaycard might reasonably have informed Mr L of the CRA they typically use to assess their lending decisions. To be clear I don't think that not sharing this information means that Barclaycard are in breach of the Consumer Duty. However, I agree with our investigator that this may have been beneficial to Mr L as the CRAs don't always report the same information.

Mr L said he's got a good credit score with all the CRAs, so he can't see the risk in lending to him. I think it's helpful for me to highlight that a credit score is a tool designed to give individuals an overview of their financial health, and it is not used by potential lenders when assessing their lending decisions. Lenders generate their own scores based on their lending criteria and information from various sources.

Mr L's concern about a lack of human involvement here is supported by the Information Commissioner's Office which gives guidance that customers typically have a right to human intervention when they've been subject to automated decisions that have a significant effect on them.

Although I'd generally consider a manual review to be good industry practice, I don't think it follows that all of Barclaycard's automated decisions are capable of being taken by a human instead. Barclaycard confirmed that Mr L's application had to be run through their system, and that ultimately a human couldn't overturn their decision.

In those circumstances I'd expect a manual review to involve a human checking that the process had been applied to Mr L correctly, and that any re-application took account of any recent changes.

Barclaycard confirmed in their final response letter that the correct process had been applied to Mr L's application. Barclaycard indicated that Mr L could check his credit file was correct if his application was to be reconsidered. However, Barclaycard identified that Mr L no longer had need of the credit limit increase, so no further action was taken. I don't think Barclaycard were unfair or unreasonable to Mr L in these circumstances.

I acknowledge Mr L's raised a new concern that none of this reassures him that Barclaycard's lending criteria was free from unlawful discrimination on grounds of age, race, gender and so on. I've understood this to mean Mr L wants Barclaycard to be more transparent and accountable, and not that he's saying he's been subject to unlawful discrimination here.

I think I've addressed the extent to which I'd expect Barclaycard to share information with Mr L, within my decision. And as I've set out above, it is not within my remit to interfere with Barclaycard's processes, systems or controls as this is something for the FCA to consider as the regulator.

If I've misunderstood and Mr L has a complaint about unlawful discrimination against him, then he'd need to raise this complaint with Barclaycard before the Financial Ombudsman Service could consider it.

I know this won't be what Mr L was hoping to hear, but I haven't found Barclaycard have treated him unfairly in these circumstances. That means I'm not going to ask Barclaycard to take any action on this occasion and I don't uphold Mr L's complaint.

### **My final decision**

For the reasons I've outlined, 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 L to accept or reject my decision before 11 June 2025.

Clare Burgess-Cade  
**Ombudsman**