

The complaint

Miss M complains Barclays Bank UK PLC trading as Tesco Bank (Barclays) failed to carry out sufficient financial checks before approving a credit card account for her.

What happened

Miss M says Barclays approved a credit card account for her in February 2023 with a credit limit of £5,800, at a time when she was already under financial pressure and if it had carried out more thorough financial checks at that time, it would have seen the new borrowing was unaffordable.

Miss M wants all interest and charges on the account to be refunded and any adverse entries on her credit file removed.

Barclays says it's a responsible lender and before it approved the credit card account it carried out comprehensive financial checks using information declared by Miss M on her application, along with data from external sources including credit reference agencies (CRA's). Barclays says it carried out an affordability assessment based on information from Miss M's application in which she declared an annual income of around £48,000, which it verified using external sources.

Barclays says its credit checks showed no adverse data such as missed payments, defaults or CCJ's and while there was external debt, this was being well managed, with no obvious signs of financial stress. Barclays says its affordability modelling included any external financial commitments, Miss M's declared housing costs and allowed for day to day living costs, based on average data provided by the Office for National Statistics (ONS). Barclays considered Miss M to be in a strong financial position at the time she applied for the credit card account.

Miss M wasn't happy with Barclays' response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator pointed out there are no set list of checks lenders like Barclays must undertake before approving credit facilities, but these should be borrower focused.

The investigator says Barclays carried out reasonable financial checks before approving the credit card account, and she felt there were no obvious signs of any financial stress or over commitment on credit, and while there was external borrowing this was being managed well with no missed or late payments evident. The investigator says the affordability assessment Barclays carried out at that time, was based on information from external sources to estimate average living costs, known finance costs and housing costs declared by Miss M. The investigator felt this data showed Miss M's monthly net disposable income was sufficient to meet the new credit card commitment Barclays approved.

The investigator concluded Barclays' decision to lend was fair.

Miss M didn't agree with the investigator's view and asked for the matter to be referred to an

ombudsman for 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I was sorry to hear Miss M is experiencing financial difficulties and that must be a source of worry to her. When looking at this complaint I will consider if Barclays carried out reasonable and proportionate financial checks before it approved a credit card account for Miss M in February 2023.

Miss M's complaint centres around her view that Barclays failed to carry out thorough enough financial checks before it approved a credit card for her in February 2023, and if it had it would have seen it was unaffordable.

While I understand the points Miss M makes here, I'm not fully persuaded by her argument and I will go on to explain why.

As the investigator has pointed out there are no set list of checks lenders like Barclays must carry out before approving credit facilities, but these should be borrower focused taking into account the amount, type, term and cost of any borrowing. I should say here it's not for me to tell Barclays what those checks must consist of, or from what sources those checks should come from.

From the information I have seen, before the credit card limit was agreed, Barclays carried out credit searches, income and expenditure assessments and referenced information contained in Miss M's application, in which she declared she was employed earning circa £48,000 per annum, which Barclays verified using external credit sources. Based on what I have seen, although there was external borrowing of around £18,000 at that time, there was no indication of any external financial pressure nor any indication on her credit file of missed payments, defaults or CCJ's. So, I'm satisfied before it provided the credit card facility of £5,800, Barclays carried out reasonable and proportionate checks.

From this data, and based on Miss M's verified net monthly income, Barclays then carried out its own internal affordability modelling. I can see this took into account Miss M's declared housing expenditure, her committed financial monthly costs and an industry standard allowance for living expenditure, which left Miss M with around £555 per month to meet this new commitment. So it's fair to say this was more than sufficient to cover the minimum payments here, even based on a fully drawn facility.

So with that in mind, I am satisfied based on this, there was no need for Barclays to request any further financial information before it approved the credit card account, and on balance its decision to lend was fair.

I've also considered whether Barclays acted unfairly or unreasonably in some other way given what Miss M has complained about, including whether its relationship with her might have been unfair under s.140A Consumer Credit Act 1974. However, for the same reasons I have set out above, I've not seen anything that makes me think this was likely to have been the case.

While Miss M will be disappointed with my decision, I won't be asking anymore of Barclays.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 3 December 2025.

Barry White
Ombudsman