

The complaint

Mrs G complains that Barclays Bank UK PLC trading as Barclaycard (Barclays) lent to her irresponsibly.

What happened

Mrs G opened a credit card account with Barclays on 17 July 2018 with a credit limit of £1,200 and there were no further increases to this limit.

On 2 August 2023, Mrs G complained to Barclays saying it had lent to her irresponsibly. Mrs G said if Barclays had checked her credit file it would have seen she had other credit cards that she was close to the credit limit on and was only making the minimum repayments. Mrs G thinks this should have made Barclays aware she was already struggling to manage the credit she had and so couldn't afford to take on another credit card with such a high limit.

Barclays looked into Mrs G's complaint and issued a final response letter on 30 August 2023 explaining it believed it had acted fairly in providing the credit. It said Mrs G had passed its affordability checks at the time and so it felt its decision to lend was fair.

Mrs G didn't accept Barclays response, so she referred her complaint to our service with the help of her representative. Although the complaint had been raised more than six months after Barclays final response letter was issued Barclays consented to this service considering the case. So, one of our investigators looked into it. Based on the evidence that was available, our investigator said she couldn't reasonably conclude that the lending was irresponsible, or that the relationship was unfair.

Mrs G didn't accept what our investigator said, so she asked for a second opinion. As there was no agreement, the complaint has been passed to me for a 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 think there are key questions I need to consider in order to decide what is fair and reasonable in this case:

- Did Barclays carry out reasonable and proportionate checks to satisfy itself that Mrs G was able to sustainably repay the credit?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did Barclays make a fair lending decision?
- Did Barclays act unfairly or unreasonably towards Mrs G in some other way?

Barclays had to carry out reasonable and proportionate checks to satisfy itself that Mrs G would be able to repay the credit sustainably. It's not just about Barclays assessing the likelihood of Mrs G being able to repay the credit, but it had to consider the impact of the repayments on her.

There is no set list of checks that it had to do, but it could take into account several different things such as the amount and length of the credit, the amount of the monthly repayments and the cost of the credit.

Did Barclays carry out reasonable and proportionate checks to satisfy itself that Mrs G was in a position to sustainably repay the credit?

Barclays has explained that it carried out a full credit search to get an understanding of Mrs G's situation before it decided to lend to her. It said this revealed her level of active borrowing was reasonable to her income, her payment history was perfect, and she didn't appear to be over indebted. Mrs G has explained that she had a CCJ in around 2012, but this didn't show on the information available to Barclays. This is likely due to the time that had passed since the CCJ was received. Even if this information was still available for Barclays to see, given its historic nature I don't think that alone would or should have prevented Barclays from lending to Mrs G.

Before lending to Mrs G Barclays also asked her about her income and she declared that she had an annual income of £25,596 and was employed. They verified this and Mrs G's average expenditure using the credit reference agencies (CRA) and calculated that she would have a disposable income of around £657 a month.

I've seen the credit file results and can confirm there was no adverse information or recent missed payments showing on the information available to Barclays at that time. I can see Mrs G had a reasonable level of unsecured debt. But her repayments were up to date, and I can see the new account came with a balance transfer offer that she went on to use.

I've considered the information that was available to Barclays at the time it made its lending decision. But I haven't seen anything that would suggest Barclays needed to do further checks or that it should have known that Mrs G wouldn't be able to sustainably repay the credit limit it provided to her.

In my view, the checks Barclays completed were reasonable and proportionate to the amount and type of credit it went on to approve. And I'm satisfied the decision to approve a new credit card with a limit of £1,200 was reasonable based on the information Barclays obtained about Mrs G's circumstances. I'm very sorry to disappoint Mrs G but overall, I'm not persuaded that Barclays created unfairness in its relationship with Mrs G as a result of its decision to lend to her.

Did Barclays act unfairly or unreasonably towards Mrs G in some other way?

Mrs G has said that she only ever made minimum payments to the account and spent much of the time at the limit of the credit available on the account. She thinks this should have put Barclays on notice that she was struggling to afford the account.

I've considered Mrs G's account history, I can see there was one late payment in 2020 but that this was rectified quickly and later in the agreement I can see that Mrs G, clears the balance and then makes overpayments to the account. Although I don't doubt what Mrs G has said I don't think any of these behaviours meant that Barclays should reasonably have been aware that Mrs G was struggling financially or struggling to manage the account, and I haven't seen any evidence that Mrs G contacted Barclays for help with the account at any point before 2023.

I understand this won't be the answer Mrs G hoped for but based on the available evidence I don't find that Barclays has acted unfairly in this case. It's not clear enough to me that

Barclays created unfairness in its relationship with Mrs G by lending to her irresponsibly and I don't find Barclays treated Mrs G unfairly in any other way either based on what I've seen.

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 Mrs G to accept or reject my decision before 28 July 2025.

Charlotte Roberts
Ombudsman