

The complaint

Mr E complains that Barclays Bank UK PLC, trading as Barclaycard, reduced his credit card limit.

What happened

Mr E holds a credit card with Barclaycard; in January 2025, it took the decision to reduce the credit limit from £13,000 to £4,400. Mr E complained.

Barclaycard initially told Mr E that it had taken such action because of information received from one specific Credit Reference Agency (CRA). It later followed that up with a further explanation, telling Mr E that it actually reviewed data supplied by all CRAs – as well as other factors, such as Mr E's general account management. Barclaycard gave Mr E £100 for the trouble he'd gone to, in speaking with that one specific CRA, because the reasoning it initially offered hadn't been entirely accurate.

Mr E remained unhappy, and he contacted this Service for an independent review. While he accepted that Barclaycard could take such a decision to reduce his credit limit, he thought such action here was disproportionate in the circumstances. That's because Mr E had uncovered some erroneous reporting, by a third-party business, which had affected his credit file with one CRA. All had since been amended and although Mr E accepted that he didn't necessarily need as high a limit as £13,000, he considered it would be fair for Barclaycard to readjust his limit to around £8,000.

An Investigator here looked at what had happened; having done so, they didn't think Barclaycard needed to increase Mr E's credit limit to around £8,000 – or at all. In summary, the Investigator said:

- Lending decisions lie solely with the credit provider and our Service can't interfere with them. Here, Barclaycard had made a decision that it was legitimately entitled to make.
- £100 in compensation for the poor upfront explanation, and subsequent time Mr E spent speaking with a CRA, was both fair and reasonable in the circumstances.

Mr E disagreed. He thought that Barclaycard had ignored data from other CRAs – where his credit file was unblemished. Additionally, he said he'd been able to show how a third-party firm had mistakenly reported adverse information. So, Mr E considered Barclaycard's reasoning to be based entirely on improper information. Overall, Mr E said he wasn't seeking any further redress aside from a reconsideration of his credit capacity.

As no agreement has been reached, the complaint has now been passed to me to decide.

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'll say at the outset that I fully understand Mr E's frustration at the overall situation here. His credit file was wrongly adversely affected by a third-party, and Barclaycard told him that was the reason his credit limit was reduced. That would, no doubt, be a point of irritation.

That said, it isn't the full picture. Barclaycard has since explained, both to Mr E and to our Service, that its decision wasn't based solely on information reported by one CRA. Rather, Barclaycard took several factors into account; it did review information held by other CRAs – and it reviewed how Mr E had been using and managing his account too. Broadly speaking, that's just what I'd expect any lender to do.

In saying that, I don't mean to find that the erroneous information reported by a third-party didn't affect things here. It likely did to some degree. The point is that I don't think it was the *only* factor Barclaycard took into account. In any event, even if – as we now know – some information reported to CRAs about Mr E was wrong, it isn't inherently unreasonable of Barclaycard to have taken that information in good faith at the time. At least while the information remained active on Mr E's credit file.

The reduction didn't, as I understand it, cause Mr E any problems or become the basis for financial loss; moreover, Barclaycard has said it will be happy to reassess Mr E's credit limit in the future. While I know Mr E considers that unfair, I can't force Barclaycard to carry out a reassessment any sooner. As our Investigator explained, this Service isn't able to interfere with a lender's general lending policies. So, if Mr E does want to revisit the matter with Barclaycard, then he can contact it to discuss how best, and when, to do so.

All of that aside, I certainly think Barclaycard could've been clearer in its explanations. I won't labour this point, given Barclaycard has already accepted that it should have done better in that regard; I will, though, say that I think compensation is due for the trouble its initial, incomplete, reasoning caused Mr E. To that end, I find the £100 already paid is a fair and reasonable amount in the circumstances.

In closing, I'm sure Mr E will be disappointed by what I've set out. I don't, though, for the reasons I've explained, conclude that Barclaycard did something "wrong" in taking the decision to reduce his credit limit. So, it follows that I don't require Barclaycard to take any further action, and I don't uphold this complaint.

My final decision

My final decision is that I don't uphold Mr E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 1 August 2025.

Simon Louth

Ombudsman