

## **The complaint**

Mr R complains that Barclays Bank UK PLC trading as Barclaycard lent irresponsibly when it approved his credit card application.

## **What happened**

Mr R applied for a Barclaycard credit card in January 2020. In his application, Mr R said he was self employed with an annual income of £35,000 that Barclaycard calculated left him with around £2,333 a month net. A credit search found Mr R had outstanding unsecured debts across three credit cards totalling £19,182 with monthly repayments of around £420. No adverse credit, defaults or recent missed payments were noted. Barclaycard completed an affordability assessment using Mr R's income of £2,333 a month and applied estimates for his outgoings reaching the view he had a disposable income of £1,046. Barclaycard approved Mr R's application and issued a credit card with a limit of £200. But Barclaycard said it would increase the limit to £8,100 subject to receiving evidence of Mr R's income.

Mr R sent Barclaycard bank statements that verified the income figure used in the application and the credit limit was set at £8,100. Mr R went on to complete a balance transfer and began using the credit card.

More recently, Mr R complained that Barclaycard lent irresponsibly and it issued a final response. Barclaycard said it had carried out the relevant lending checks, including getting proof of Mr R's income, and didn't agree it lent irresponsibly.

An investigator at this service looked at Mr R's complaint. They thought Barclaycard completed reasonable and proportionate checks before approving Mr R's application and weren't persuaded it lent irresponsibly. Mr R asked to appeal and said Barclaycard had failed to complete adequate checks before agreeing to lend taking his self employed income and existing debts into account. As Mr R asked to appeal his complaint has been passed to me to make 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.

Before agreeing to lend, the rules say Barclaycard had to complete reasonable and proportionate checks to ensure Mr R could afford to repay the debt in a sustainable way. These affordability checks needed to be focused on the borrower's circumstances. The nature of what's considered reasonable and proportionate will vary depending on various factors like:

- The amount of credit;
- The total sum repayable and the size of regular repayments;
- The duration of the agreement;
- The costs of the credit; and
- The consumer's individual circumstances.

That means there's no set list of checks a lender must complete. But lenders are required to consider the above points when deciding what's reasonable and proportionate. Lenders may choose to verify a borrower's income or obtain a more detailed picture of their circumstances by reviewing bank statements for example. More information about how we consider irresponsible lending complaints can be found on our website.

I've set out the information that Barclaycard used when considering Mr R's application above. Mr R confirmed he was self employed with an annual income of £35,000 and a net monthly income of £2,333 was calculated by Barclaycard. Barclaycard took a cautious approach in terms of Mr R's income and initially approved a low limit of £200 but said it would agree to increase the limit to £8,100 if evidence to confirm his income was provided.

Barclaycard completed a credit search and found Mr R had a £19,182 in existing credit card debt. But I think it's reasonable to note that the new credit card came with a promotional balance transfer interest rate that Mr R went on to use. And Mr R's payments to his existing credit card providers were all up to date with no evidence of other financial difficulties shown.

The affordability assessment took Mr R's income and regular outgoings for his existing commitments and living expenses into account. Barclaycard has explained it used information from the credit reference agencies to verify it was using reasonable outgoings figures when considering Mr R's application and I'm satisfied that's the case based on the available evidence. In my view, Barclaycard's conclusion that Mr R had a disposable income of around £1,046 a month was reasonable based on the information it obtained and affordability assessment it completed.

I note that after the application was approved Mr R sent copies of his bank statements to Barclaycard that verified his income. It was only once that evidence was received that Barclaycard increased Mr R's limit to the full £8,100.

In my view, by checking Mr R's credit file, completing an affordability assessment and verifying his income level Barclaycard completed reasonable and proportionate checks before approving his application. And I'm satisfied the decision to approve Mr R's application and issue a credit card with a limit of £8,100 was reasonable based on the information Barclaycard obtained. I'm sorry to disappoint Mr R but I haven't been persuaded Barclaycard lent irresponsibly so I'm unable to uphold his complaint.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Barclaycard lent irresponsibly to Mr R or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 23 October 2025.

Marco Manente  
**Ombudsman**