

The complaint

Mr A says Barclays Bank UK PLC, trading as Barclaycard, lent to him irresponsibly. He has said that he needed to use short term lending products to repay the card, and he fell into significant financial difficulties making the repayments. He thinks if Barclaycard had made better checks, it wouldn't have given him the card.

What happened

Mr A opened the credit card in September 2015 with a credit limit of £800. The credit limit was increased to £1,200 in March 2016 and the last credit limit increase was to £1,600 in December 2016. Mr A has had difficulty repaying the account and recently and it was defaulted in October 2024 with Mr A still owing just under £50.

Mr A made his complaint to Barclaycard in October 2023, and he then brought it to the Financial Ombudsman Service in June 2024.

Barclaycard looked at Mr A's complaint. It said he had complained later than six years of when the last lending decision was made, in December 2016. And it also thought Mr A had complained later than three years of when he ought to have been aware he had cause to complain. So, Barclaycard thought Mr A brought the complaint too late.

I've considered the time limit issue raised by Barclaycard and I've issued a decision to say that Mr A had made his complaint in time. Barclaycard has provided its full business file now and the merits of the complaint have been considered by one of our Investigators.

Our Investigator didn't uphold Mr A's complaint. She said that it wasn't demonstrated that Barclaycard did proportionate checks before lending. But she wasn't persuaded that better checks would've led to it not approving the card. This is because Mr A couldn't provide full information about what Barclaycard may have seen if it had made better checks.

Mr A didn't agree with the Investigator. He said the information he had provided showed he was in financial difficulty at the time of lending, and that he was subject to a County Court Judgement ('CCJ').

Our Investigator didn't think that the evidence Mr A provided should change her opinion. This was partly because she wasn't entirely persuaded that it was reliable. I've noted the correspondence about this, and I'll consider it below. Because Mr A didn't agree, this matter has been passed to me to make 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.

When someone complains about irresponsible and/or unaffordable lending, there are two overarching questions I need to consider when deciding what's fair and reasonable in all of the circumstances of the complaint. These are:

1. Did Barclaycard complete reasonable and proportionate checks to satisfy itself that Mr A would be able to repay the credit in a sustainable way?
 - a. if so, did Barclaycard make a fair lending decision?
 - b. if not, would reasonable and proportionate checks have shown that Mr A could sustainably repay the borrowing?
2. Did Barclaycard act unfairly or unreasonably in some other way?

And, if I determine that Barclaycard didn't act fairly and reasonably when considering Mr A's application, I'll also consider what I think is a fair way to put things right.

Did Barclaycard complete reasonable and proportionate checks to satisfy itself that Mr A would be able to repay the credit in a sustainable way?

There's no set list for what reasonable and proportionate checks are, but I'd expect lenders to consider things such as the amount, duration, and payments of the card being applied for, as well as the borrowers' personal circumstances at the time of each application.

When the card was started, Barclaycard asked Mr A what his income was. He told Barclaycard that it was around £45,000 a year and he was self-employed. Barclaycard said that it verified Mr A's income using a tool from a credit reference agency. And this tool showed that Mr A had a monthly income of £2,800.

Barclaycard has also said that it looked at Mr A's credit report. The information Barclaycard has supplied shows that Mr A didn't have any other borrowing at the time and there wasn't any evidence that Mr A was having financial problems such as missed repayments or using short term, or high cost, credit.

Barclaycard has also said it used the credit file information to see if it was likely Mr A could afford the card repayments. It said it did this by applying calculations that looked for signs of financial stress and affordability. And it also used statistical data to estimate his expenditure.

From this it calculated that his likely expenditure would be around £1,400 a month. Leaving him with about £1,400, and it deduced an amount from this in line with its lending policy. It's decision to lend was based on Mr A having about £1,250 each month left over. Barclaycard thought that all these checks showed that the card would likely be affordable for Mr A.

Going forward, the checks were similar for the credit limit increases. Barclaycard said that it looked at Mr A's credit file again each time the card limit was increased. At the first credit limit increase the information it received showed that he now had another credit card to which he owed just over £1,000 and a modest overdraft. And at the second credit limit increase Mr A had a credit card to which he owed about £1,500 and a personal loan with a balance of about £8,300. And again, he had a modest overdraft. There were no signs of financial difficulty at the credit limit increases. So, Barclaycard thought the credit limit increases were also likely to be affordable for Mr A.

Barclaycard also looked at how Mr A had managed the card over time. It noted that Mr A had gone over his credit limit on a few occasions. But he had also made payments above the minimum amounts at times as well. Overall, I think it's reasonable to say Mr A hadn't managed the card in a way that Barclaycard should have been concerned about and not lent to him.

I think these checks could have been reasonable. But while Barclaycard has outlined the checks it said it did, it hasn't been able to fully evidence the checks themselves, it only has a summary of the information it gathered. It can't provide the credit reference agency data it said it looked at. So, I can't be certain of what it considered before lending.

So, I'm not persuaded that the checks Barclaycard did were reasonable and proportionate for the card approval and limit increases. So, I've gone on to consider what Barclaycard would likely have found had reasonable and proportionate checks been carried out.

Mr A has provided an up-to-date copy of his credit report. This report shows, leaving aside the CCJ which I'll talk about below, that whilst Mr A did have some other credit at times, he wasn't having any a significant financial problem at the time the card was approved or when the limits of it were increased. So, I don't think the information on this report about his credit commitments is such that Barclaycard should've declined his application, or that it should've been unduly concerned about his financial position.

Mr A has also provided copies of some of his bank statements. While I wouldn't have expected Barclaycard to have asked Mr A for copies of these, I'm satisfied that these could have given a good indication of what Barclaycard would likely have taken into consideration had it asked Mr A to verify, or provide more information about, his income and committed expenditure during that specific period.

But the statements that Mr A has provided cover a limited period and are not complete. Mr A has said himself that he has 'joined statements together' from various sources. I think it's reasonable to say that the statements, presented in this form, don't give an accurate picture of Mr A's finances, and are only of very limited use. But what I can see doesn't show that Mr A was having financial difficulties in any event.

Mr A has provided some evidence of a CCJ. He initially provided this as part of a credit reference agency report which shows he was subject to a CCJ in 2014. But I think it's established that the CCJ information was not part of the original report and again it was added by Mr A, he says, to give a better overall picture of his finances.

But I have noted that a later report doesn't show the CCJ at all. And the information Mr A provided at the start of complaint process shows two CCJ's were applied in 2021 and one in 2024.

I'm not going to go into the detail about why Mr A has said this is, and why he has provided the information in this way, although I have considered it. But having looked at what he has provided, and thought about what he has said, I don't think it's reasonable to rely on this information to the degree that I can use it to uphold his complaint. I don't think it establishes, on the balance of probabilities, that Mr A did have a CCJ in 2014 (or 2016).

And I think it's worth noting that Mr A didn't seem to start experiencing financial problems until 2018 at the earliest when he lost his job. And his more significant problems don't seem to have been until 2021 at the earliest.

So, and while I appreciate this will come as a disappointment to Mr A, I'm satisfied that, had Barclaycard carried out reasonable and proportionate checks, I think that it's likely that it would have found the card to be affordable.

Did Barclaycard act unfairly or unreasonably in some other way?

I've also considered whether Barclaycard acted unfairly or unreasonably in any other way, and I have considered 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 it lent irresponsibly to Mr A or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

I haven't seen anything to make me think Barclaycard acted unfairly or unreasonably in some other way.

My final decision

For the reasons set out above, I don't uphold Mr A's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 20 August 2025.

Andy Burlinson
Ombudsman