

### **The complaint**

Mr S has complained that Barclays Bank UK PLC unfairly removed his overdraft.

### **What happened**

Mr S had an account with Barclays, which had an overdraft facility. However, it decided to remove the facility. Mr S has explained this left him in a difficult position financially, as it had an impact on his credit file, and meant he needed to borrow money to pay off the overdraft – meaning he couldn't meet other expenses.

One of our investigators looked into what had happened, but thought Barclays had been entitled to remove the overdraft, and hadn't behaved unfairly.

Mr S disagreed. In summary, he feels that letters he received from Barclays contradicted each other, as on 11 October 2024 it said it would leave the overdraft in place, as reducing it would cause hardship. But, it did go on to remove the facility, without the typical 12-month 'grace period' that graduate accounts usually have in place. And, as the overdraft disappeared without proper warning, he had to repay it early while he was unemployed. This resulted in a missed loan repayment and damage to his credit file.

The complaint's now been passed to me.

### **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'm not upholding it. I know this will be disappointing for Mr S, but I'll explain why.

I can see that Barclays wrote to Mr S on 11 October 2024, as it was concerned about his overdraft use. This letter did say it would leave the overdraft in place. It then contacted him again on 1 November, saying that he needed to pay money into his account within 30 days, and asked him to make contact. It also explained what would happen if he didn't make payments. It also wrote to him twice more during the November, including giving Mr S a further 21 days to bring the account up to date – otherwise the overdraft would be removed. This was subsequently what happened.

I'm satisfied that these letters were clear. And, Barclays was entitled to remove the overdraft as per the terms and conditions of the account. It also gave warning. I appreciate the first letter said the overdraft wouldn't be removed, but I don't think this meant it wouldn't be removed at any point. I think Barclays was entitled to review the situation, when no payments were being made into the account. And, it also tried to engage with Mr S. I think it was reasonable for Barclays to remove access to lending that seemed unaffordable.

As I think Barclays behaved reasonably, I'm not holding it responsible for the consequences of the overdraft being removed, although I do understand the situation was upsetting for Mr

S.

**My final decision**

For the reasons given above, it's my final decision not to uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 December 2025.

Elspeth Wood  
**Ombudsman**