

The complaint

Mr F complains that Barclays Bank UK PLC trading as Barclaycard reduced his credit limit.

What happened

Mr F holds a credit card with Barclays. He opened the account in August 2018 with a credit limit of £2000.

On 30 April 2025 Barclays advised Mr F that it was reducing his credit limit from £2000 to £1.00.

Mr F complained to Barclays.

Barclays didn't uphold the complaint. In its final response it said the credit limit had been reduced after it received an alert from the credit reference agencies informing that Mr F had missed two consecutive payments. Barclays advised Mr F to obtain a copy of his credit file and to contact the credit reference agencies if he noticed an error.

Mr F was unhappy with the response and brought his complaint to this service. He says he'd contacted the credit reference agencies and was advised that there was nothing on his credit file to suggest that he'd missed two consecutive payments. He wants his credit limit reinstated.

Our investigator didn't uphold the complaint. They said that the terms and conditions of the account allowed Barclays to reduce the credit limit based on an assessment of risk or his ability to repay. The investigator said they were satisfied that Barclays decision was taken in accordance with the terms and conditions. The investigator said that Barclays hadn't acted unfairly because it had given sufficient notice to Mr F before the reduction came into effect.

Mr F didn't agree, he said he wanted to know the reason why his credit limit was reduced. He said he'd checked with the credit reference agencies who had provided him with a credit report showing no adverse data.

Because Mr F didn't agree I've been asked to review the complaint.

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 know it will disappoint Mr F, but I agree with the investigator's opinion. I'll explain why.

I've reviewed the terms and conditions of the account. These state that Barclays can reduce the credit limit at any time. Mr F agreed to these terms and conditions when he took out the card and entered into the credit agreement. All lenders set credit limits based on their internal criteria and if there are any changes in a customer's risk profile or ability to repay then the lender can reduce the credit limit.

I've reviewed the letter that was sent by Barclays on 30 April 2025. This advised Mr F that his credit limit would be reduced to £1.00 on 2 May 2025. The letter explains that the bank regularly reviews credit limits to make sure that customers aren't borrowing too much, and that as part of this review they will look at information provided by credit reference agencies.

Based on what I've seen here, I'm unable to say that Barclays has made an error when it reduced the credit limit, because it has acted in line with the terms and conditions. This service can't tell a business what its internal lending criteria should be or how it applies the lending criteria.

What this service can do is look at whether the decision to reduce the credit limit was fair. So, I've looked at the information that led to the decision.

Barclays isn't obliged to tell Mr F the specific reason for the decision because this is considered to be business sensitive information. However, it has provided details of the reason to Mr F in general terms, which is that an alert was received from the credit reference agencies informing that Mr F had missed two payments on another credit agreement.

When Barclays received the alert, its lending criteria was applied, and the credit limit was reduced.

Mr F has said that he's been in touch with the credit reference agencies and has been advised that his credit file has no adverse information. He's understandably frustrated and wants to know what the information was that led to his credit limit being reduced.

Barclays has provided some information which suggests that Mr F settled a loan in March 2025. I don't know if this settled loan was a factor in the credit limit reduction but if Mr F wishes to confirm which payments were due and which were paid on this loan he should raise this separately with Barclays.

Based on what I've seen, I haven't found anything to suggest that Barclays made an error or treated Mr F unfairly. I'm satisfied that Barclays acted reasonably in response to information received from the credit reference agencies and reduced the credit limit in line with the terms and conditions of the account. If Mr F thinks that the information provided by the credit reference agencies isn't correct, he should review his credit file and take things up with the credit reference agencies directly if necessary.

Taking all the available information into account I'm unable to uphold the complaint.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 25 December 2025.

Emma Davy
Ombudsman