

## **Complaint**

Mr H has complained about a credit card Barclays Bank UK Plc (trading as “Barclaycard”) provided to him.

He says that he shouldn’t have been given the credit card and that it was irresponsibly provided to him.

## **Background**

Mr H was provided with three credit cards in total by Barclaycard. However, we’ve already separately why we’re unable to consider Mr H’s complaint about those cards. So this decision is solely considering Mr H’s complaint about his third credit card and all reference to credit card from this point onwards is in relation to this.

In March 2020, Barclaycard provided Mr H with a credit card which had a limit of £1,200.00. Mr H wasn’t provided with any credit limit increases.

One of our investigators reviewed what Mr H and Barclaycard had told us. And she thought Barclaycard hadn’t done anything wrong or treated Mr H unfairly in relation to providing the credit card.

So she didn’t recommend that Mr H’s complaint be upheld. Mr H disagreed and asked for an ombudsman to look at the complaint.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having carefully considered everything, I’ve decided not to uphold Mr H’s complaint. I’ll explain why in a little more detail.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Mr H’s complaint.

Barclaycard needed to make sure it didn’t lend irresponsibly. In practice, what this means is Barclaycard needed to carry out proportionate checks to be able to understand whether Mr H could afford to repay any credit it provided.

Our website sets out what we typically think about when deciding whether a lender’s checks were proportionate. Generally, we don’t think that it is necessarily unreasonable for a lender’s checks to be less detailed – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect

a lender to be able to show that it didn't continue to lend to a customer irresponsibly.

Barclaycard says it agreed to Mr H's application after it obtained information on his income and carried out a credit search on him. And the information it obtained indicated that Mr H would be able to make the, what it considered to be, the not especially large monthly repayment required to clear the balance that could be owed within a reasonable period of time.

On the other hand, Mr H says that he shouldn't have been lent to.

I've considered what the parties have said.

What's important to note is that Mr H was provided with a revolving credit facility rather than a loan. And this means that Barclaycard was required to understand whether a credit limit of £1,200.00 could be repaid within a reasonable period of time, rather than in one go. I think it's fair to say that a credit limit of £1,200.00 did not require large monthly payments in order to clear the full amount that could be owed within a reasonable period of time.

I've seen the information Barclaycard obtained from Mr H about his income and what was on the credit search carried out. Barclaycard says that Mr H declared he had an annual income of £27,000.00. I understand that this is likely to have been cross checked against information from credit reference agencies and therefore, I'm satisfied that Barclaycard was entitled to rely on this declaration.

The credit search showed that Mr H didn't have any significant adverse information – such as defaulted accounts or County Court Judgments – recorded against him either. Mr H has provided some screenshots which he says showed that he had defaulted accounts. But these screenshots don't show me that Barclaycard knew Mr H had defaults at the time.

Equally the active credit Mr H did have was being relatively well maintained. As Mr H also said that he was living at home with parents, I think that Barclaycard was reasonably entitled to conclude that he would have sufficient funds to meet his living costs once his payments to existing creditors was deducted from his income.

Furthermore, even if I were to agree that the amount of the credit limit granted and Mr H's credit history meant that Barclaycard ought to have done more in this instance, it's also not even immediately apparent to me that further checks would have made a difference. I say this because I think that further checks would, at the absolute maximum, have consisted of finding out more about Mr H's living expenses rather than relying on the estimated information.

However, the information Mr H has provided doesn't show me that his non-credit related committed expenditure was significantly higher than the estimates that Barclaycard relied on. In these circumstances, I don't think that Barclaycard finding out more about Mr H's living expenses would, in any event, have resulted in it determining that Mr H would be unable to make the monthly payment he could have had to make as a result of using the credit available to him on this card.

I accept that the real reason Mr H might have found it difficult to make his payments to this agreement isn't due to his existing credit commitments or his living expenses. And that this is readily apparent when the bank statements Mr H has provided are considered. It's also possible – but by no means certain – that Barclaycard might have taken a different decision had it seen these bank statements at the time.

But what I need to think about here is what is Barclaycard is likely to have known if it had carried out proportionate checks, not what it would have known if it had reviewed Mr H's bank statements. In other words, what was Mr H paying to his credit commitments and his regular living expenses.

Bearing in mind checking bank statements wasn't the only way for Barclaycard to have found out more about Mr H's actual living costs – it could have obtained copies of bills or other evidence of payment etc – I don't think that proportionate checks would have extended into obtaining the bank statements provided. For the sake of completeness, it's difficult for me to accept that Mr H would have proactively disclosed his gambling as part of being asked about his living expenses either.

So while I sympathise with any difficulty Mr H may have had, nonetheless I don't think that Barclaycard could reasonably be expected to have known about the nature and extent of Mr H's gambling at the time.

In reaching my conclusions, I've also considered whether the lending relationship between Barclaycard and Mr H might have been unfair to Mr H under s140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I've not been persuaded that Barclaycard irresponsibly lent to Mr H or otherwise treated him unfairly in relation to this matter. And I haven't seen anything to suggest that s140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

So overall and having considered everything I don't think that Barclaycard treated Mr H unfairly or unreasonably in approving his application for a credit card. I appreciate this will be very disappointing for Mr H. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 10 September 2025.

Jeshen Narayanan  
**Ombudsman**