

The complaint

Ms O complains that Barclays Bank UK PLC reduced her credit limit.

What happened

Ms O holds a credit card account with Barclays. In November 2024 Barclays sent a letter to Ms O advising her that her credit limit would reduce from £12,050 to £750 on or after 18 November 2024.

Ms O contacted Barclays and appealed the decision, but Barclays said it wouldn't reinstate the credit limit.

In January 2025 Barclays sent a letter to Ms O advising her that the credit limit would be reduced further from £750 to £500 on or after 17 January 2025. Ms O appealed in March 2025, but Barclays said it wouldn't reinstate the limit.

Ms O raised a complaint. Barclays didn't uphold the complaint. In its final response it said the limit had been reduced in line with its lending policy.

Ms O remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. He said that the terms and conditions of the account made it clear that Barclays would consider information received from credit reference agencies when setting and reviewing the credit limit and that in this case, a credit file alert had been received due to a missed payment with another lender. The investigator said that Barclays had acted in line with the terms and conditions of the card.

Ms O didn't agree. She acknowledged that Barclays had received information about a missed payment with another credit provider but said it had failed to take into account her long standing relationship with them. Ms O said the fact that she had inadvertently missed two payments with another lender was unrelated to her account with Barclays.

Because Ms O 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 Ms O, but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file, but I'll concentrate my comments on those points which are most relevant to my decision. If I don't comment on a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is the right outcome.

I've reviewed the terms and conditions of the account. These state (at paragraph 6):

“Credit limit. We set your credit limit according to your circumstances, your account usage and history, information from other parts of the Barclays Group, information we receive from credit reference agencies, and any other information we think is relevant. We’ll tell you what your credit limit is when we first open your account. We’ll then review it from time to time. If we change your credit limit, we’ll let you know.”

Ms O agreed to these terms and conditions when she took out the card.

Barclays has explained that it took the decision to reduce the credit limit in response to a credit alert which was issued when Ms O missed payments with another lender.

The terms and conditions make it clear that Barclays will take information from credit reference agencies (which includes credit alerts) into account when assessing credit limits. So I’m unable to say that Barclays has made an error or treated Ms O unfairly by taking the credit alert into account when reviewing the credit limit.

Ms O has acknowledged that she missed two payments with another lender. Whilst I appreciate that Ms O doesn’t believe that her issue with another lender should be something that Barclays take into account, Barclays – like all lenders – has a duty to act responsibly and review the credit it offers if it has reason to believe that credit may be unaffordable. In the circumstances, I don’t think it was unreasonable for Barclays to reduce the credit limit in response to the information it received from the credit reference agencies.

I acknowledge that Ms O has held her account with Barclays for several years and I have no reason to disbelieve her when she says that she’s never missed any payments on the account or utilised all of her credit limit. However, this doesn’t change my decision. Barclays has reviewed the credit limit on Ms O’s account in line with the terms and conditions of the account and I’m unable to say that it has done anything wrong.

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 Ms O to accept or reject my decision before 26 September 2025.

Emma Davy
Ombudsman