

The complaint

Miss D complains that Barclays Bank UK PLC trading as Barclaycard irresponsibly lent to her.

What happened

Miss D had a Barclaycard credit card with a £3,100 credit limit. Barclaycard increased the credit limit to £5,100 in April 2023. Miss D says that this credit limit increase was irresponsibly lent to her. Miss D made a complaint to Barclaycard who did not uphold her complaint. They said they carried out an affordability check at the time of the credit limit increase, and there was no sign she was financially struggling. Miss D brought her complaint to our service.

Our investigator did not uphold Miss D's complaint. He said that Barclaycard did not have a copy of the checks they completed, so he requested Miss D's credit file and bank statements. He said the credit limit increase appeared affordable and sustainable for Miss D.

Miss D asked for an ombudsman to review her complaint. She said that in 2022 she was receiving an income of £2,126 per month and she had been working overtime to increase this amount, but that was not her regular salary. She said £877 a month that she received from her partner was half the rent payment, which was £1,525, so the £877 should not be added to her monthly income as they just used her account for this payment.

Miss D said she received £145 for child benefit, therefore the average salary plus the child benefit payment would equate to around £2,271 a month. Miss D said she moved £1,550 and the £877 from her partner each month to pay for bills. She said she was at her credit limit on the Barclaycard account when the increase was made, and she was living in her overdraft on both of her accounts at the time.

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.

Before agreeing to increase the credit available to Miss D, Barclaycard needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Barclaycard have done and whether I'm persuaded these checks were proportionate.

Unfortunately Barclaycard have been unable to retrieve the checks they completed prior to the credit limit increase. Our investigator asked Miss D if she could provide her credit report. I'd like to thank Miss D for providing us with her credit report as this would give me an indication of what the checks from a Credit Reference Agency (CRA) would have likely shown if Barclaycard were able to retrieve the checks they completed here. I do note that

Barclaycard used a different CRA for their checks compared to the CRA who provided Miss D's credit report, so some of the information could be different if any of her lenders did not report to all of the different CRA's. But broadly, I would expect the data to be similar.

Miss D appears to have two current accounts with overdraft usage, and the Barclaycard account at the time of the lending checks. A mail order account was active at the same time, but it appears there was no outstanding balance being reported by them at the time the credit limit on the Barclaycard was increased. The credit report shows that Miss D had settled a loan with a company in Barclaycard's wider group on the same day the credit limit was increased, so there was no outstanding balance to be paid.

Miss D's credit file shows no defaulted accounts, no public records such as a County Court Judgement (CCJ), and no arrears on her active accounts at the time the credit limit was increased (or leading up to this lending decision).

Barclaycard would have also been able to see how Miss D managed her Barclaycard account leading up to this credit limit increase. They have been able to retrieve this information. Miss D incurred no late or overlimit fees leading up to this lending decision. So it may be possible that Barclaycard's checks were proportionate, depending on what other data they had.

But here, as I've not been provided with Miss D's income as part of the checks, she is near her credit limit on the account, and she usually only made only her minimum payment requested on the Barclaycard account, I think it's likely that Barclaycard should have made further checks here. That's not to say Barclaycard didn't make further checks, just that I can't evidence what further checks (if any) that they made.

Miss D has provided her bank statements leading up to this lending decision. These are from a bank within Barclaycard's wider group. So it may have been possible for Barclaycard to have viewed these prior to the credit limit increase (although I can't say whether they did or didn't).

I can see that Miss D did pay into a savings account regularly. But upon further investigation, funds were often transferred back out of the savings account shortly after crediting them, therefore I have disregarded any savings made as potentially being able to be used to help fund her repayments towards the Barclaycard account.

Both of Miss D's bank accounts show overdraft usage. But an overdraft in its own right does not mean that further lending would be unaffordable or not sustainable for Miss D.

I've considered what Miss D has said about her income not being reflective of her normal salary as she had been working overtime prior to the credit limit increase. While I have no reason to doubt what Miss D has told us, her statements show her salary as being around £2,396 for the three credits to her account leading up to this increase.

As there was no variance of this figure apart from 20p, then it wouldn't be proportionate for Barclaycard to complete further checks such as contacting Miss D on the off chance overtime/bonuses were added to her regular salary.

Although Miss D said she transferred £1,550 into an account for bills, the statements showed that she made transfers of £1,225 each month regularly. While I agree the amount her partner pays into the bills account should not count as income for Miss D, as she's told us that's his half of the rent, then it also isn't fair to include the full rent as an outgoing for Miss D.

Miss D's statements do not show her exceeding her arranged overdraft. In addition to this I couldn't locate any returned direct debits on the statements leading up to the credit limit increase.

If Barclaycard would have viewed Miss D's statements as part of a proportionate check, I'm persuaded that they would be fair to think Miss D could have an extra £537.36 a month disposable income due to the personal loan ending on the same day the credit limit increased – which debited her sole account, and was showing on her credit file. So they may believe that Miss D wouldn't need to transfer as much as £1,225 into that account moving forward.

But even if this was not the case moving forward, as Miss D consistently received around £2,541 a month based on the three statements she provided leading up to the credit limit increase, even after the £1,225 a month had been deducted which she regularly transferred to the bills account, then it would appear that she would have a sufficient disposable income to not only meet her living expenses, but to be able to sustainably afford repayments for an increased credit limit of £5,100 on her Barclaycard account. So I'm not persuaded that Barclaycard made an unfair lending decision here.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that Barclaycard lent irresponsibly to Miss D or otherwise treated her 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.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss D to accept or reject my decision before 10 November 2025.

Gregory Sloanes
Ombudsman