

The complaint

Mr H is unhappy that Barclays Bank UK PLC, trading as Barclaycard, reduced his credit limit on his credit card account and with the service he's received surrounding this.

What happened

Mr H has a credit card with Barclaycard which used to have a credit limit of £9,200. In March 2025, Barclaycard wrote to Mr H and explained that they were reducing his available credit limit from £9,200 to £1,500. Mr H didn't want his credit limit reduced, so he appealed the credit limit reduction and raised a complaint.

Mr H didn't receive a response to his appeal or his complaint. Mr H wasn't happy about this, especially as he received a further letter in April 2025 which further reduced his credit limit from £1,500 to £200. So, he referred his complaint to this service.

One of our investigators looked at this complaint. They didn't feel that Barclaycard had acted unfairly by reducing Mr H's credit limit, but they did feel that Barclaycard had treated Mr H unfairly regarding the service that they'd provided to him surrounding the matter, including by not raising a complaint for Mr H when they should have. Because of these service issues, our investigator upheld the complaint and said that Barclaycard should pay £150 compensation to Mr H.

Mr H didn't accept the view of this complaint put forward by our investigator and continued to feel that the reduction of his credit limit from £9,200 to £200 was unfair. So, the matter was escalated to an ombudsman for a final decision.

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.

Mr H is unhappy that Barclaycard have reduced his credit limit. But it must be understood that a credit limit isn't a 'right' that an account holder has. Instead, a credit limit is provided entirely and solely at the discretion of the credit provider, in this instance, Barclaycard.

Ultimately, how much credit a credit provider is willing to extend to any of its account holders is a decision for the credit provider themselves to make. This means that a credit provider can refuse to offer further credit, or reduce the level of existing credit, being offered to an account holder.

Barclaycard's right to decide how much credit it offers to account holders is stipulated in the terms and conditions of its credit account, as follows:

"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."

And:

"Managing your credit limit

If we reduce your credit limit based on an assessment of risk or your ability to repay, we have the right to not give you any notice beforehand if we think this wouldn't be appropriate. (But we may choose to give you up to seven days' notice.) We won't reduce your credit limit to less than your total outstanding balance, plus any transactions authorised but not yet charged to your account."

Barclaycard have demonstrated that they made the decision to reduce Mr H's credit limit because they received an alert from a credit reference agency ("CRA"). When Barclaycard or other credit providers receive such alerts from CRAs, they don't include specific details of why the CRA has issued the alert. Potential reasons why such alerts are issued include changes in circumstances such as the opening of a new line of credit (which affects credit affordability concerns), missed or late payments, or reduced payment arrangements with other creditors.

Given that Barclaycard received an alert from a CRA, it doesn't seem unreasonable to me that they would reduce Mr H's credit limit. And given that they were reducing Mr H's credit limit, it doesn't seem unreasonable to me that they would do it with immediate effect. And again, I must reiterate that Barclaycard have the right to do so, and that right is enshrined in the terms and conditions of the account.

Mr H would like to know exactly why Barclaycard are now only willing to offer £200 credit to him. But while credit providers are expected to describe the general parameters that they consider when assessing an account holder's creditworthiness – which Barclaycard have done in the terms and conditions quoted above – they aren't expected to provide the level of detail that Mr H is seeking here.

This is because the specific details of a credit provider's creditworthiness criteria are commercially sensitive: If such detailed information were to enter the public domain it would increase the potential risk of credit applicants withholding or manipulating information to falsely show that they meet Barclaycard's criteria and thus obtain credit from Barclaycard that Barclaycard wouldn't have provided had they understood the correct picture.

All of which means that I won't be upholding this aspect of Mr H's complaint or instructing Barclaycard to restore his previous credit limit. This is because, as explained, how much credit Barclaycard extend to Mr H is for Barclaycard to decide. And in this instance, I'm satisfied that Barclaycard have reduced Mr H's credit limit reasonably and in accordance with the terms of the account. If Mr H would like Barclaycard to provide a higher credit limit to him, he can apply to them to increase the credit limit on his account. It would then be for Barclaycard to assess Mr H's application and decide whether to increase his credit limit or not.

Turning to the service aspects of this complaint, I do feel that Barclaycard have provided some poor service to Mr H. Specifically, I feel that by not raising a complaint for Mr H when they should, and by not submitting his appeal to the credit limit reduction, Barclaycard have treated Mr H unfairly and Mr H has incurred some frustration and inconvenience as a result. However, I don't feel that Barclaycard have treated Mr H unfairly regarding the information they gave him about why his credit limit had been reduced, for the reasons explained above.

Because of Barclaycard's failure to raise a complaint or process Mr H's appeal, I'll be upholding this complaint on this limited basis only and instructing Barclaycard to pay £150 compensation to him. In arriving at this compensation amount I've considered the frustration and trouble that Mr H has incurred resultant from these two failures alongside the general framework this service uses when assessing compensation amounts, details of which are available on this service's website. And having done so, I feel that £150 is a fair compensation amount.

To confirm, this £150 compensation isn't made in reference to any upset or concern Mr H may have experienced because his credit limit was reduced. This is because, as explained, I'm not upholding that aspect of Mr H's complaint. I appreciate that Mr H may have been impacted by the reduction of his credit limit, but while I feel that his is unfortunate, I don't feel that it's unfair, and I feel that it most likely arises from a misplaced belief on Mr H's part that he has a right to the higher credit limit that Barclaycard were previously willing to offer him.

I realise this won't be the outcome Mr H was wanting, but I hope that he understands, given what I've explained, why I've made the final decision that I have.

Putting things right

Barclaycard must pay £150 to Mr H.

My final decision

My final decision is that I uphold this complaint against Barclays Bank UK PLC, trading as Barclaycard, on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 18 December 2025.

Paul Cooper
Ombudsman