

The complaint

Mr W complains that's Barclay's Bank UK PLC trading as Barclaycard (Barclaycard) acted irresponsibly in lending to him. And so, should write off the debt.

What happened

Around November 2023 Mr W applied for a revolving credit facility (credit card) with Barclaycard. His application was successful with Barclaycard issuing him with a credit card that had a £200 credit limit. But a few days later Barclaycard increased Mr W's credit limit to £3,500. Mr W complained to Barclaycard saying by increasing his credit limit to this level they hadn't properly checked whether he could sustain the repayments. And this had caused him to spiral into debt leading to him having to enter a debt management plan.

Barclaycard accepted they hadn't acted fairly by increasing Mr W's credit limit to £3,500 and looked to put this right by removing all interest and charges. And by removing any adverse information about the unfair lending from Mr W's credit history.

Mr W wasn't happy with how Barclaycard looked to put things right as he said they should write off the debt. He referred his complaint to us.

Our investigator said Barclaycard had already taken appropriate steps to resolve the complaint in line with our normal approach and that they didn't need to do anything further.

Mr W didn't agree he said there'd been direct financial harm that had impacted his wellbeing. He asked for his complaint to be decided by an ombudsman.

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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. Whilst I've read and considered everything, if I don't mention any specific point, it's not because I 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 a fair and reasonable outcome. This is not meant as a discourtesy but rather reflects my role of resolving disputes with minimum formality.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. I've considered our approach when deciding Mr W's complaint. I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

Firstly, it isn't in dispute that Mr W shouldn't have been offered the credit limit increase. So, it only remains for me to decide how Barclaycard should put things right.

The principal aim of any compensation we award must be to return Mr W to the position he'd now be in but for the errors or inappropriate actions of Barclaycard. But in cases of

irresponsible lending that's not entirely possible as Mr W has had the monies lent to him.

Because Barclaycard shouldn't have lent to Mr W, I don't think it's fair for him to pay interest or charges on the amount borrowed. Or for any adverse information about the unfair lending be noted on his credit history. And I can see that Barclaycard has removed all interest, charges and adverse information. So, I'm satisfied they've acted as I would expect them to do.

Mr W has said this isn't enough as he'd had to borrow to repay his Barclaycard repayments which had affected his wellbeing. I've given careful consideration to Mr W's representations that the remaining balance should be written off but I don't think that's an appropriate outcome at this stage. While I emphasise with Mr W I must also take account that he's had use of the money that was lent to him.

Part of the remedy I would usually propose for irresponsible lending, alongside the removal of interest, charges and adverse information, would be for Barclaycard to work with Mr W to agree an affordable repayment plan. I anticipate that would involve a review of Mr W's income and expenditure to assess what he may be able to afford to pay. If it was found he couldn't afford to make any contribution to the amount owed, writing off some of the capital could be an option at that stage.

But I don't think that would be a fair outcome here. I haven't seen evidence of Mr W's current circumstances to show he isn't able to pay anything at all. I say this as I can see, Mr W has entered a debt management plan with the help of a debt counselling service, so I'm satisfied his income and expenditure would have been considered when an affordable amount was put forward and to which he would have agreed for the repayment of his existing credit commitments. And I can see whilst Barclaycard has transferred ownership of the debt, this is included in Mr W's debt management plan.

I'm satisfied Mr W has had use of the capital lent to him, so I think its only fair he should pay this back. And as I've seen evidence that he's able to repay an amount towards the capital lent to him. I don't think it would be a fair outcome for Mr W's outstanding balance to be written off.

I've also considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. But I'm satisfied the redress already applied by Barclaycard results in fair compensation for Mr W in the circumstances of his complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

It's for these reasons that I'm not upholding this complaint. I realise this outcome may be disappointing for Mr W but I'm satisfied Barclaycard has already offered a fair and reasonable settlement.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 16 February 2026.

Anne Scarr
Ombudsman