

## **The complaint**

Mr V is unhappy that Barclays Bank UK PLC, trading as Barclaycard, reduced the credit limit on his account and didn't provide a satisfactory explanation as to why they did so.

## **What happened**

Mr V had a £7,500 credit limit on his Barclays credit account. In January 2025, Barclays reduced Mr V's credit limit to £1,350, and a few weeks later they reduced the credit limit again, this time to £500.

Mr V asked Barclays why they had reduced his credit limit and was told that it was because Barclays had received an alert from a credit reference agency ("CRA"). Mr V obtained a copy of his credit file but couldn't see any adverse information that would justify the reduction in his credit limit. So, he raised a complaint.

Barclays responded to Mr V but didn't feel they'd done anything wrong by reducing his credit limit. Mr V didn't agree, so he referred his complaint to this service. One of our investigators looked at this complaint. But they didn't feel Barclays had acted unfairly as Mr V contended and so didn't uphold the complaint. Mr V remained dissatisfied, 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 V is unhappy that Barclays reduced the credit limit on his account. But it must be acknowledged that a credit limit isn't a 'right' that an account holder has. Instead, it is provided solely and entirely at the discretion of the credit provider.

In this case, Barclays received an alert from a CRA that told them that Mr V had entered into a payment arrangement on a credit account he held with another credit provider. This caused Barclays to reassess Mr V's account and to reduce the credit limit on his account in the manner that they did.

Ultimately, the reduction of Mr V's credit limit was a commercial decision that Barclays were entitled to make.

Given the alert that Barclays received from the CRA, I can understand why Barclays may have developed concerns about Mr V's ability to repay the £7,500 credit facility he held with them, if he had utilised the full amount of that facility. And I can also understand why Barclays would reduce Mr V's credit limit to an amount they felt he would be able to manage and which reduced the perceived risk of providing credit to Mr V to a level Barclays were comfortable with.

Additionally, the terms and conditions of the credit account, which Mr V consented to and accepted when he opened the account, include that Barclays can reduce the credit limit on

the account in the manner that they have.

All of which means that I don't feel that Barclays have acted unfairly here. It's at Barclays discretion as to the size of the credit facility they extend to Mr V, and Barclays received information from a CRA that caused them to reassess Mr V's credit facility and reduce his credit limit to a level they were comfortable with in light of the new information they'd received. Furthermore, Barclays told Mr V that they had made their decision based on an alert they'd received, and so provided Mr V with an accurate explanation

If Mr V feels that Barclays received the alert from the CRA in error, then that would be a matter for Mr V to take up with the CRA. But it wouldn't change the fact that Barclays reacted to the alert – which it was reasonable for them to take on face value – in a manner that is in keeping with their rights as the credit provider.

It therefore follows that I won't be upholding this complaint or instructing Barclays to take any further or alternative action. I realise this might not be the outcome Mr V was wanting, but I hope that he'll understand, given what I've explained, why I've made the final decision that I have.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 23 October 2025.

Paul Cooper  
**Ombudsman**