

The complaint

Mr S complains that Barclays Bank UK plc trading as Barclaycard ('Barclaycard') unfairly reduced his credit card limit following an error on their part. Mr S wants his credit limit restoring.

What happened

Mr S missed a payment in September 2024 and this was reported to the Credit Reference Agencies ('CRAs') in October 2024. Mr S complained that Barclaycard had reduced his credit limit in December 2024 based on this late payment, when they'd agreed the late payment was due to their error. Barclaycard asked the CRAs to remove the late payment marker and paid Mr S £50 compensation, but declined to reinstate Mr S's credit limit.

Mr S referred his complaint to the Financial Ombudsman Service and our investigator obtained further information from Barclaycard. She didn't think Barclaycard had acted unfairly by following their own internal lending policies and decreasing Mr S's credit limit in accordance with the terms and conditions of his account.

Mr S indicated none of his other lines of credit had been affected and he was certain the late payment marker had unfairly influenced Barclaycard's decision. He indicated the reduction in credit limit came at a bad time and was disruptive to his family. He sought an ombudsman's 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.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I have decided not to uphold Mr S's complaint for broadly the same reasons as our investigator. I'll explain why.

I think it would be helpful to explain the role of the Financial Ombudsman Service is to resolve individual complaints based on what is fair and reasonable in the circumstances of each case. So it is not for this service to interfere with a firm's processes, systems or controls nor to fine or punish a business. Those are considerations for the Financial Conduct Authority ('FCA'), as the regulator.

Barclaycard are entitled to change Mr S's credit limit under the terms and conditions of his account, which state:

"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 write to let you know. We tell you more about your credit limit in the 'Using your account' section of this agreement.

12. Using your account

...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 would not be appropriate. (However, 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."

I would expect Barclaycard to give Mr S the main reason for his credit limit reduction if he asked for this. I'm satisfied there was a discussion with Mr S about the potential reasons for the credit limit decrease and Barclaycard explained in their correspondence that they relied on internal and external information to review Mr S's limit and whether he still met their lending policy.

I recognise Mr S would like more information to check Barclaycard's decision wasn't made unfairly. I wouldn't expect Barclaycard to divulge specific details of their decision making or their lending criteria to Mr S, as this is commercially sensitive information.

I'd expect Barclaycard to offer Mr S a manual review and I am satisfied Barclaycard referred their decision to their manual underwriting team on 29 January 2025. This didn't result in any increase to Mr S's credit limit, but Barclaycard were able to confirm that a human had checked their process had been correctly followed and there hadn't been any error with how they'd set Mr S's new credit limit. I think this was in line with good industry practice.

I've reviewed the information Barclaycard relied on when deciding to decrease Mr S's credit limit. I'm satisfied from the nature and timing of that information that Barclaycard's decision was not due to the late payment or the marker that appeared on Mr S's credit file in October 2024. So, I don't agree that Barclaycard's decision is based on an error. I'm sorry not to be able to share more information with Mr S but I hope he is reassured that someone impartial has investigated and hasn't found any unfairness underlying Barclaycard's decision.

I am sorry to hear that the credit limit decrease came at a difficult time for Mr S and he had to utilise other lines of credit. I think Barclaycard can demonstrate they paid due regard to Mr S's circumstances and the impact the reduction would likely have on his ability to manage his finances. I can see that Barclaycard didn't reduce the limit below Mr S's current spend on his credit card, and they indicated Mr S could contact them about the reduction. I was also glad to see Barclaycard referred Mr S to independent sources of money advice, and indicated when Mr S could reapply for a higher credit limit.

I acknowledge Mr S is disappointed with Barclaycard's stance, but this is a commercial decision for them to take just as it for Mr S to decide who he banks with. I can't interfere with Barclaycard's lending decisions. If Mr S hasn't already done so, he can now reapply for a credit limit increase with Barclaycard if he wishes, though he should know this isn't guaranteed to be accepted.

In these circumstances, I think Barclaycard have treated Mr S fairly by complying with their regulatory obligations and with good industry practice, and by following the terms and conditions of Mr S's account. This means I haven't found cause to uphold Mr S's complaint and I won't be asking Barclaycard to take any action here.

My final decision

For the reasons I've outlined, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 November 2025.

Clare Burgess-Cade
Ombudsman