

The complaint

Mrs W complains Barclays Bank UK PLC (Barclays) shouldn't have increased the limit on her credit card account.

What happened

Mrs W says Barclays approved an increase in her credit card limit from £3,500 to £4,500 in August 2019, at a time when she was only making the minimum payments on the account and utilising a high proportion of the credit limit available. Miss W says this has contributed to making her financial situation worse and now finds herself in a debt management programme.

Mrs W wants Barclays to refund all interest and charges on the account since the time the credit limit was increased to £4,500, along with 8% simple interest. Mrs W wants any adverse entries relating to this account removed from her credit file.

Barclays says it is a responsible lender and carried out reasonable financial checks before it approved the credit limit increase in August 2019. Barclays says it relied upon information provided by credit reference agencies (CRA's) and looked at how Mrs W had maintained her existing account with them before approving the credit limit increase. Barclays says there were no indications from its financial checks to suggest Mrs W was struggling financially, and there was no negative information shown from its credit checks, such as CCJ's, late or missed payments.

Barclays says while Mrs W did make minimum payments on the account, that wasn't unusual when benefitting from the 0% balance transfer interest rate on the account at the time.

Barclays feel it acted responsibly before it increased the credit limit on the credit card account.

Mrs W wasn't happy with Barclays decision and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says there are no set list of checks lenders must carry out before providing credit facilities but these should be borrower focused.

The investigator says while Barclays did carry out reasonable checks, it could have done more to establish affordability of the increased limit. The investigator looked at bank statements provided by Mrs W but concluded that her monthly disposable income was more than sufficient to meet the increase credit limit and her credit card account and other external borrowing had been managed well before the credit limit increase was approved. The investigator concluded Barclays had acted reasonably when it approved the credit card limit increase.

Mrs W didn't agree with the investigator's view and asked for the matter to be referred 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I was sorry to hear that Mrs W is now facing financial problems and that must be a source of worry for her. When looking at this complaint I will consider if Barclays acted irresponsibly when it approved an increase in Mrs W's credit card limit in August 2019.

Mrs W's complaint centres around her view that Barclays shouldn't have increased her credit limit from £3,500 to £4,500 in August 2019, as at that time she was only making the minimum monthly payments on her credit card account with them and was fully utilising the credit limit available.

While I understand the points Mrs W makes here I'm not fully persuaded by her argument and I will go on to explain why.

The first thing to say, as the investigator has pointed out, there are no set list of checks lenders like Barclays must carry out before approving credit facilities but these should be borrower focused taking into account the amount, type, term and cost of any borrowing. I should say here it's not for me to tell Barclays what those checks must consist of, or from what sources those checks should come from.

From the information I have seen, before Barclays approved the credit limit increase from £3,500 to £4,500 in August 2019, it carried out credit checks using CRA's and undertook affordability modelling based on Mrs W self-employed declared income of circa £45k. This indicated Mrs W had a strong level of net disposable income sufficient to meet the increased amount of extra borrowing at that time.

Additionally from the information available, I can see no obvious signs of financial stress such as missed or late payments, CCJ's or any payment arrangements in place, and while Mrs W had external borrowings these had been managed well.

It's also worth mentioning that Mrs W had managed her existing credit card facility with Barclays fairly well leading up to the time the limit increase was approved, and while the limit was well utilised and minimum monthly payments were a regular feature, that wouldn't be unexpected here as the account had a 0% balance transfer interest rate in place until January 2021. In fact it's reasonable to suggest that was simply prudent financial management by Mrs W here, and I am satisfied that would not be a reason for Barclays to decline any request for a credit limit increase.

The investigator felt further information was required to determine whether the increase in the credit limit was affordable such as bank statements, but I can't say I support that view as I am satisfied the checks Barclays had already carried out were reasonable and proportionate for the reasons I have already mentioned. That said, the statements provided again show no obvious signs of financial stress that would be a reason for Barclays to decline an increase of £1,000 to the credit limit already available.

While Mrs W says the income on her bank statements show a gross income not net, it's worth saying Barclays had already modelled her income at a lower level than the gross income when calculating affordability. But in any event as I mentioned before, I wouldn't have expected Barclays to have necessarily carried out further financial due diligence unless

there were obvious signs of existing internal or external financial pressure – and there wasn't here.

So with that in mind, I can't say Barclays acted irresponsibly when it approved the increase in the credit card limit in August 2019.

I've also considered whether Barclays acted unfairly or unreasonably in some other way given what Mrs W has complained about, including whether its relationship with her might have been unfair under s.140A Consumer Credit Act 1974. However, for the same reasons I have set out above, I've not seen anything that makes me think this was likely to have been the case.

While Mrs W will be disappointed with my decision, I won't be asking any more of Barclays.

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 Mrs W to accept or reject my decision before 26 November 2025.

Barry White
Ombudsman