

## **Complaint**

Mrs W has complained that Barclays Bank UK PLC (trading as “Barclaycard”) irresponsibly provided a credit card and associated limit increase to her. She says that the credit was unaffordable and the ongoing interest and charges prevented her from getting on top of her finances.

## **Background**

Barclaycard initially provided Mrs W with a credit card, which had a limit of £6,800.00, in April 2014. In September 2016, Barclaycard offered to increase Mrs W’s limit to £8,000.00.

In June 2025, Mrs W complained saying that the credit card Barclaycard provided was unaffordable and the ongoing interest and charges prevented her from getting on top of her finances. Barclaycard did not uphold Mrs W’s complaint. As far as it was concerned Mrs W had complained too late.

Mrs W remained dissatisfied and chose to refer her complaint to our service as a result. When responding to our request for its file on Mrs W’s complaint, Barclaycard reiterated that it believed Mrs W had complained too late.

One of our investigators reviewed what Mrs W and Barclaycard had told us.

He thought that he hadn’t seen enough to be persuaded that Barclaycard failed to act fairly and reasonably when providing Mrs W with her credit card or the limit increase. So the investigator didn’t recommend that Mrs W’s complaint be upheld.

Mrs W disagreed with the investigator’s conclusions and asked for an ombudsman to look at her complaint.

## **My findings**

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

### *Basis for my consideration of this complaint*

There are time limits for referring a complaint to the Financial Ombudsman Service. Barclaycard has argued that Mrs W’s complaint was made too late because she complained more than six years after the decisions to provide the credit card and the credit limit increase as well as more than three years after she ought reasonably to have been aware of her cause to make this complaint.

Our investigator explained why it was reasonable to interpret the complaint as being one alleging that the relationship between her and Barclaycard was unfair to her as described in s140A of the Consumer Credit Act 1974 (“CCA”). He also explained why this complaint about an allegedly unfair lending relationship had been made in time.

Having carefully considered everything, I've decided not to uphold Mrs W's complaint. Given the reasons for this, I'm satisfied that whether Mrs W's complaint about the specific lending decisions was made in time or not has no impact on that outcome.

I'm also in agreement with the investigator that Mrs W's complaint should be considered more broadly than just Barclaycard's decision to lend. I consider this to be the case as Mrs W has not only complained about the decisions to lend but has also alleged that this unfairly caused her difficulty going forward because the ongoing interest and charges prevented her from getting on top of her finances.

I'm therefore satisfied that Mrs W's complaint can therefore reasonably be interpreted as a complaint about the fairness of her relationship with Barclaycard. I acknowledge Barclaycard may still disagree that we can look at Mrs W's complaint, but given the outcome I have reached, I do not consider it necessary to make any further comment or reach any findings on these matters.

In deciding what is fair and reasonable in all the circumstances of Mrs W's case, I am required to take relevant law into account. As, for the reasons I've explained above, I'm satisfied that Mrs W's complaint can be reasonably interpreted as being about the fairness of her relationship with Barclaycard, relevant law in this case includes s140A, s140B and s140C of the CCA.

S140A says that a court may make an order under s140B if it determines that the relationship between the creditor (Barclaycard) and the debtor (Mrs W), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement;
- the way in which the creditor has exercised or enforced any of his rights under the agreement;
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship. S140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed or requiring a refund, or to do or not do any particular thing.

Given Mrs W's complaint, I therefore need to think about whether Barclaycard's decision to lend to Mrs W, or its later actions resulted in the lending relationship between Mrs W and Barclaycard being unfair to Mrs W, such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Mrs W's relationship with Barclaycard is therefore likely to be unfair if it didn't carry out proportionate checks into Mrs W's ability to repay what she could owe, in circumstances where doing so would have shown it that the credit card, or the limit increases, were unaffordable, or that it was irresponsible to lend. And if this was the case, Barclaycard didn't then somehow remove the unfairness this created.

#### *Our typical approach to complaints about irresponsible and unaffordable lending*

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Mrs W's complaint.

I think that it would be helpful for me to set out that we consider what a firm did to check whether any repayments to credit were affordable (asking it to evidence what it did) and then determine whether this was enough for the lender to have made a reasonable decision on whether to lend.

Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggested the lender needed to know more about a prospective borrower's ability to repay.

That said, I think that it is important for me to explain that our website does not provide a set list of mandated checks that a lender is expected to carry out on every occasion. Indeed, the requirements have not and still do not mandate a list of checks that a lender should use. Any rules, guidance and good industry practice in place over the years has simply set out the types of things that a lender could do when considering whether to lend to a prospective borrower.

It is for a lender to decide which checks it wishes to carry out, although we can form a view on whether we think what was done was fair to the extent it allowed the lender to reasonably understand whether the borrower could make their payments. Furthermore, if we don't think that the lender did enough to establish whether the repayments that a prospective borrower might have to make were affordable, this doesn't on its own mean that a complaint should be upheld.

We would usually only go on to uphold a complaint in circumstances where we were able to recreate what reasonable checks are likely to have shown – typically using information from the consumer – and this clearly shows that the repayments in question were unaffordable.

*Application to Mrs W's complaint – Was Barclaycard's decision to provide Mrs W with the credit card and limit increase unfair?*

Barclaycard says it initially agreed to Mrs W's application after it obtained information on her income and also carried out a credit search. And, in its view, the information obtained indicated that Mrs W would be able to make the monthly repayments due for this credit card. For the limit increase, Barclaycard says that Mrs W's repayment record and management of her account indicated that she could manage the increase.

On the other hand, Mrs W says that the credit card was unaffordable and the ongoing interest and charges prevented her from getting on top of her finances.

I've considered what the parties have said.

What's important to note is that Mrs W was provided with a revolving credit facility rather than a loan. This means that to begin with Barclaycard was required to understand whether a credit limit of £6,800.00 could be repaid within a reasonable period of time, rather than all in one go. And a credit limit of £6,800.00 reasonably sized monthly payments in order to clear the full amount that could be owed within a reasonable period of time.

I understand that Barclaycard concluded that Mrs W had an annual income of around £25,000.00. Furthermore, the credit search showed that while Mrs W did have other accounts what she owed on them didn't mean that she couldn't afford this credit card.

What's also important to note is that Mrs W didn't have any significant adverse information recorded against her at this time either.

In these circumstances, bearing in mind the apparent stability of Mrs W's finances and her validated income, I'm satisfied that the checks Barclaycard carried out in this instance were reasonable and proportionate. And as the information that Barclaycard suggested that the repayments were affordable for her, I'm satisfied that Barclaycard acted fairly and reasonably when initially providing the card to Mrs W and therefore no unfairness was caused at this stage.

In considering whether it was fair and reasonable for Barclaycard to have offered the limit increase, I'm mindful that in the 28-month period between May 2014 (which was the month Mrs W made her first payment on this account) and August 2018 (which was the month before Mrs W was offered the final limit increase), Mrs W made monthly payments that totalled over £12,000.00.

Bearing in mind Mrs W managed to make payments totalling this much in just over two years, it is extremely difficult for me to say that Mrs W's repayment record in itself didn't suggest that she could repay £8,000.00 within a reasonable period of time. This is important as Barclaycard was entitled to rely on Mrs W's repayment record on this account when deciding whether to increase her credit limit and a reasonable period of time for repaying £8,000.00 would typically be considered to be a standard term a fixed sum loan for this amount would be. So around four to five years.

In any event, I'm not persuaded that Barclaycard carrying out further checks would have led to it deciding against offering to increase Mrs W's credit limit. I say this because at the absolute most, it could be argued that Barclaycard ought to have found out more about Mrs W's actual living costs. However, I can't see that Mrs W's committed non-credit related expenditure meant that she wouldn't be able to make the repayments that she could have had to make had she used the extra credit offered. Equally, I also have to consider this in the context that the credit searches didn't show that Mrs W's other credit was increasing exponentially either.

In reaching my conclusions, I've also noted that Mrs W has said that her circumstances had changed and that she was working part time by the time of the limit increase. However, as Mrs W's repayment record didn't suggest that her income had reduced, I don't think that Barclaycard had reason to consider that this might have been the case. As this is the case, I don't think that Barclaycard did irresponsibly provide the limit increase or that any unfairness was caused at this stage either.

Overall, and based on the available evidence I don't find that Mrs W's relationship with Barclaycard was unfair. I've not been persuaded that Barclaycard created unfairness in its relationship with Mrs W by irresponsibly lending to her whether when initially agreeing to provide her with a credit card or offering her the limit increases that it did. I don't find Barclaycard treated Mrs W unfairly in any other way either based on what I've seen either.

So overall and having considered everything, while I can understand Mrs W's sentiments and sympathise with the very difficult time that she has been through, I'm nonetheless not upholding this complaint. I appreciate this will be very disappointing for Mrs W. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

### **My final decision**

For the reasons I've explained, I'm not upholding Mrs W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs W to accept or reject my decision before 9 March 2026.

Jeshen Narayanan  
**Ombudsman**