

Complaint

Mr G has complained about a credit card Barclays Bank UK PLC (trading as “Barclaycard”) provided to him. He says the credit card and the subsequent limit increases shouldn’t have been provided as they were unaffordable and caused his lending relationship to be unfair.

Background

This complaint is about a credit card, which had a limit of £400, that Barclaycard initially provided to Mr G in January 2003. The credit limit on Mr G’s card was increased to the following amounts at the following times:

Date	Limit increased to
August 2004	£800
January 2005	£900
May 2006	£1,000.00
August 2006	£1,100.00
May 2009	£1,920.00
August 2010	£2,920.00
March 2011	£3,920.00
October 2011	£5,420.00
June 2012	£6,420.00

In January 2024, Mr G complained saying that the credit card and the limit increases Barclaycard provided to him were unaffordable and caused an unfair lending relationship as he struggled to make his payments. Barclaycard did not uphold Mr G’s complaint as it believed that he had complained too late. When responding to our request for its file on Mr G’s complaint, Barclaycard reiterated its view that Mr G had complained too late.

One of our investigators reviewed what Mr G and Barclaycard had told us. And she thought Barclaycard hadn’t done anything wrong or treated Mr G unfairly in relation to providing the credit card or increasing Mr G’s credit limit on the occasions that it did. So she didn’t recommend that Mr G’s complaint be upheld.

Mr G disagreed and asked for an ombudsman to look at the 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 Mr G’s complaint about the decisions to provide the credit card and the limit increases was made too late because he complained more than six years after

these lending decisions; as well as more than three years after he ought reasonably to have been aware of his cause to make this complaint.

Our investigator explained why Mr G's complaint was one alleging that the relationship between him and Barclaycard was unfair to him as described in s140A of the Consumer Credit Act 1974 ("CCA"). She 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 Mr G's complaint. Given the reasons for this, I'm satisfied that whether Mr G'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 Mr G's complaint should be considered more broadly than just the lending decisions. I consider this to be the case as Mr G has not only complained not about the respective decisions to lend but has also alleged that this created an unfair lending relationship as he found it difficult to make his payments.

I'm therefore satisfied that Mr G's complaint is a complaint alleging that the lending relationship between himself and Barclaycard was unfair to him. I acknowledge Barclaycard may not agree that we can look at parts of Mr G's complaint, but given the outcome I have reached, I do not consider it necessary for me to make any further comment, or reach any findings on these matters.

In deciding what is fair and reasonable in all the circumstances of Mr G's case, I am required to take relevant law into account. As, for the reasons I've explained above, I'm satisfied that Mr G's complaint can be reasonably interpreted as being about the fairness of the lending relationship between him and 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 (Mr G), 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 Mr G's complaint, I therefore need to think about whether Barclaycard's decisions to initially lend to Mr G, increase his credit limit on the occasions it did, or its later actions resulted in the lending relationship between Mr G and Barclaycard being unfair to Mr G, such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Mr G's relationship with Barclaycard is therefore likely to be unfair if it didn't carry out reasonable and proportionate checks into Mr G's ability to make his repayments in circumstances where doing so would have revealed the credit card or the limit increases to

been unaffordable, or that it was irresponsible to lend. And if this was the case, Barclaycard then didn't somehow then remove the unfairness this created.

I've considered Mr G's complaint in this context.

The expectations expected of Barclaycard when it agreed to provide the credit card and the first five limit increases to Mr G

We do have an explanation about how we handle complaints about unaffordable and irresponsible lending on our website. However, the vast majority of our website guidance covers regulated lending. So I think that the information on our website and our typical approach to lending complaints has only very limited, if any, relevance to Mr G's complaint about the decision to provide the credit card and the first five limit increases.

Mr G applied for a credit card in January 2003. This decision to lend not only predated the current regulator's (the Financial Conduct Authority ("FCA")) rules and guidance which came in, in April 2014, it also predated the regulation of consumer credit and the regulatory period of the previous regulator the Office of Fair Trading ("OFT").

Prior to the regulation of consumer credit, while a number of lenders signed up to various voluntary codes, a lender wasn't required to be regulated in order to provide credit. Therefore, the decision Barclaycard made to offer Mr G a credit card and increase his limit on the first five¹ occasions took place prior to the introduction of the main regulations and standards in relation to irresponsible and unaffordable lending.

Indeed, irresponsible lending only became a nebulous concept when the 2006 revisions to the Consumer Credit Act 1974 came into force on 6 April 2007. Even then, the main guidance regarding this wasn't introduced until the OFT published its Irresponsible Lending Guidance ("ILG") in March 2010.

That's not to say that there weren't any expectations or standards in relation to lending at the time Mr G applied for his credit card. The then British Bankers' Association ("BBA") had a Banking Code, which was in place at the time and represented good industry practice.

However, it would be fair to say that its obligations and responsibilities were much more limited and they certainly were not the same as they are now. For example, the concepts of irresponsible lending, borrower focused assessments and proportionate checks were not part of the expectations or requirements at the time. Indeed, it's fair to say that any checks were more concerned with a lender assessing the likelihood of it getting its money back rather than the impact of any repayments on the customer.

What a subscriber to the banking code – such as Barclaycard here - agreed to do at the time of Mr G's application, was assess whether it felt that a borrower would be able to repay any credit provided. I therefore need to consider Mr G's complaint about the decision to provide the card and the first five limit increases in relation to these expectations that were in place on a lender at this time.

¹ The first four limit increases took place prior to it being a requirement for a lender to obtain a licence, from the Office of Fair Trading ("OFT"), in order to carry out consumer credit activities. While the fifth limit increase took place after the requirement to hold a licence from the OFT came into force on 6 April 2007, it took place before the OFT issued its main guidance on what constituted irresponsible lending.

Application to Mr G's complaint – Bearing in mind the expectations at the time did Barclaycard act fairly and reasonably towards Mr G when agreeing to provide the credit card and the first five limit increases?

Barclaycard hasn't been able to say much about the checks that it carried out at the time it accepted Mr G's application or increased his credit limit on the first five occasions.

What's important to note is that Mr G was provided with a revolving credit facility rather than a loan. And this means that for the first six lending decisions, Barclaycard was required to understand whether credit limits of £400, £800, £900, £1,000.00, £1,100.00 and £1,920.00 could be repaid within a reasonable period of time, rather than in one go. It's also fair to say that the monthly payments required in order to clear the full amount that could be owed on such credit limits, within a reasonable period of time, wasn't especially large.

Barclaycard hasn't been able to provide any details on what it found out about Mr G as a result of the credit checks that it carried out before accepting Mr G's initial application for the card or the first five limit increases. Given the most recent of these lending decisions took place over fifteen years ago and the earliest decision took place more than two decades ago, I simply wouldn't expect a lender to have retained this information. Therefore, I've not drawn any adverse conclusions as a result of Barclaycard not being able to provide this information.

In any event, I'm also mindful that I've not been provided with any information and neither has it even been argued, that Mr G had any significant adverse information – such as defaulted accounts or county court judgments ("CCJ") recorded against him at the time he was provided with this credit card or the first five limit increases.

Furthermore, Barclaycard clearly felt that Mr G could repay amounts of £400, £800, £900, £1,000.00, £1,100.00 and £1,920.00 within a reasonable period of time. Indeed, I think it is unlikely that Barclaycard would have lent in circumstances where it didn't consider that there was a reasonable chance of it being repaid any sums that it advanced.

Given, as I've explained, it's fair to say that the standards expected of lenders at this time was far more light touch than it is today, the relatively low amount required to make the monthly repayments and the fact that some of these increases wouldn't be considered significant, I'm not persuaded that it was unreasonable for Barclaycard to feel that Mr G could repay amounts of between £400 and £1,920.00 within a reasonable period of time.

As this is the case, I'm satisfied that it was not unfair for Barclaycard to have accepted Mr G's application for this credit card, or increase his credit limit on the first five occasions that it did and therefore there was no unfairness created at this stage.

The expectations expected of Barclaycard when it agreed to provide the final four limit increases to Mr G

Barclaycard's decisions to increase Mr G's credit limit on the final four occasions all took place after the then regulator the OFT had published its ILG. By this stage, the ILG set out that a lender was required to carry out proportionate checks into a customer's circumstances in order to reach a reasonable determination on whether they could repay any credit provided.

Once again given the length of time that has passed, Barclaycard has been unable to provide much on the results of the credit checks it carried out. Although the earliest information provided shows that Mr G was paying more than he was contractually obliged to.

With this in mind, I think it is unlikely that Mr G had any significant adverse information recorded against him at these respective stages.

Nonetheless, even though Mr G is unlikely to have had any significant adverse information recorded against him, as he was being provided with credit limits of between £2,920.00 and £6,420.00, I think that such limits will have required reasonably chunky monthly repayments, in order to repay what could be owed within a reasonable period of time. In these circumstances, I would have expected Barclaycard to have found out more about Mr G's income and expenditure, including information on his regular committed living costs, before offering to increase Mr G's credit limit on the final four occasions that it did.

As Barclaycard hasn't provided me with any indication that it did do this, let alone what the results showed, I don't think that the checks it carried out before it increased Mr G's credit limit on the final four occasions that it did were reasonable and proportionate.

I'll now proceed to consider whether it is more likely than not that Barclaycard finding out more about Mr G's circumstances, would have resulted in it taking different decisions to lend to him.

Would further checks have made a difference to Barclaycard's decisions to offer the final four limit increases

I've already explained why it is that Barclaycard has not persuaded me that it carried out proportionate checks on Mr G's circumstances, prior to providing the final four limit increases.

However, even though I've not been persuaded that Barclaycard did enough to establish whether the repayments to the final four limit increases were affordable, this doesn't on its own mean that Mr G's complaint should be upheld. This is because where a firm failed to carry out reasonable and proportionate checks before providing credit or increasing the amount available to a customer, I'd usually go on to recreate reasonable and proportionate checks in order to get an indication of what such checks would more likely than not have shown.

However, Mr G has been unable to provide us with the information we require in order to be able to assess what Barclaycard finding out more about his circumstances at the respective times is likely to have shown. So I've not been provided with sufficient evidence to reasonably conclude that the monthly payments to the final four limit increases were as a matter of fact unaffordable for Mr G.

I appreciate that Mr G may feel that it is unreasonable and unfair to expect him to provide information which he doesn't have and cannot reasonably be expected to have. However, I also have to take into account that Barclaycard isn't required to have retained information on its checks either. Ultimately, it was Mr G that chose to make his complaint more than a decade after the last of these lending decisions took place. As this is the case, I have to decide the complaint on what I have before me.

It is only fair and reasonable for me to uphold a complaint in circumstances where I can see that any additional credit provided was unaffordable. It's very difficult for me to uphold a complaint on the basis of uncorroborated arguments regarding an individual's circumstances. This is particularly the case where the events took place such a long time ago and as a result what was expected at the time is completely different to what is expected today.

I'm afraid that I've not been provided with sufficient evidence which corroborates what Mr G has said about not being able to make the monthly payments required should he owe the full amount that could have been owed as a result of these credit limit increases. Indeed, the earliest repayment information provided does show that Mr G was making reasonable inroads into his outstanding balance up until around April 2016.

In these circumstances, I've not been provided with sufficient evidence such that I can reasonably conclude that these limit increases were as a matter of fact unaffordable for Mr G at the time they were offered to him.

In reaching my conclusions on this complaint, I've also thought about the fact that Mr G has said that his credit limit was increased without his consent. I accept the likelihood that Barclaycard offered to increase Mr G's credit limit without formal applications from him. It is typical for a lender to offer a limit increase based on how an account is being managed and it is then up to the customer to decide whether they wish to accept this.

More recently, rules have been brought in which have enabled customers to state that increases should not be applied unless they were formally accepted. However, this wasn't the case at the time of Mr G's limit increases. Furthermore, as Mr G did go on to use the additional credit, it's difficult for me to reasonably conclude that he didn't, at least tacitly, accept these limit increases. So while I accept that it may well be the case that Mr G did not formally apply for the credit limit increases, this isn't a reason for me to uphold this complaint.

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

So while I can understand Mr G's sentiments and appreciate why he is unhappy, I'm nonetheless not upholding this complaint. I appreciate this will be very disappointing for Mr G. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 17 November 2025.

Jeshen Narayanan
Ombudsman