

The complaint

Miss L complains that Barclays Bank UK PLC trading as Barclaycard irresponsibly lent to her.

What happened

Miss L's Barclaycard credit limit was increased from £5,900 to £7,900 in June 2018. Miss L says this was lent to her irresponsibly. Miss L made a complaint to Barclaycard, who did not uphold her complaint. Barclaycard said the credit limit increase was approved after completing appropriate affordability checks, and there was no sign she was struggling financially. Miss L brought her complaint to our service.

Our investigator did not uphold Miss L's complaint. She said Barclaycard should have made further checks, but as Miss L was unable to forward her bank statements then she was unable to say what further checks would have shown.

Miss L asked for an ombudsman to review her complaint. She made a number of points. In summary, she said she had tried her best to get her bank statements, but she was unable to. Miss L said she didn't believe any checks were completed by Barclaycard for the credit limit increase as they didn't contact her requesting her current earnings/financial situation. She said that Barclaycard increased the credit limit without asking her, and they wouldn't have access to her bank statements.

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 must make Miss L aware that this decision will only look into the credit limit increase, and not the account opening lending decision. This is because a different ombudsman at our service has ruled Miss L brought this part of her complaint too late for the merits of this to be considered.

I've considered what Miss L has said regarding her not asking Barclaycard for the credit limit increase. But lenders can operate on what is known as an "*opt out*" basis, which means the credit limit can be increased unless Miss L opts out of it. So the credit limit can be increased apart from Miss L specifically asking for the credit limit to be increased. The credit limit would have shown on her statements, so Miss L should have reasonably been aware that Barclaycard had increased her credit limit, and I can't see that she contacted Barclaycard to lower the credit limit.

Before agreeing to increase the credit available to Miss L, Barclaycard needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Barclaycard have

done and whether I'm persuaded these checks were proportionate.

I know Miss L believes Barclaycard completed no checks, and I can understand why she feels this way if they didn't contact her to find out about her financial situation around the time they increased the credit limit. But I can confirm that Barclaycard did complete checks prior to increasing the credit limit.

There are a number of ways that Barclaycard can complete checks without contacting Miss L. For example, they can obtain information through a Credit Reference Agency (CRA), to obtain information about how she's managed her external accounts. And they may be able to let Barclaycard know Miss L's Current Account Turnover (CATO), which is an industry standard way of assessing income.

Another way that Barclaycard can make checks without contacting Miss L directly, is to use modelling, which is an industry standard way of assessing outgoings for an individual, as it would not always be proportionate for them to contact every customer for each lending decision they make.

I can see from the checks Barclaycard completed for this lending decision that Barclaycard were able to see Miss L's external active unsecured debt prior to this credit limit increase, and they were also able to estimate some of Miss L's outgoings through modelling, and information from a CRA (regarding her monthly credit commitments).

Barclaycard would have also been able to see how Miss L managed her Barclaycard account leading up to this credit limit increase. Miss L incurred no late or overlimit fees since her Barclaycard account had been opened. There were also times where she paid more than the minimum repayment, which could suggest she may have been able to sustainably afford repayments for a higher credit limit.

But I'm persuaded that Barclaycard should have made further checks to ensure the lending would be affordable and sustainable for her. This is because I can't see they used CATO to get an indication of Miss L's current income. And the last time they asked for this was when she applied for the account. The external lending would be a high proportion of her previous declared income, and the credit limit was being increased by £2,000 here, which could further indebt Miss L. So I'm persuaded that Barclaycard should have completed further checks to ensure the increased lending would be affordable and sustainable for her.

There's no set way of how Barclaycard should have made further proportionate checks. One of the things they could have done was to contact Miss L to ask her what her current income/outgoings were. Or they could have asked for her bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for her.

Our investigator asked Miss L if she could provide her bank statements leading up to this lending decision, But Miss L was unable to provide these, albeit I accept through no fault of her own.

So on the face of it, it does look like Barclaycard should've looked more closely into this. But as my role is impartial, that means I have to be fair to both sides and although I'm satisfied that Barclaycard should've done more checks here – I can't say whether further checks would've revealed further information which means they wouldn't have lent. So as Miss L hasn't provided me with the information she was asked for (again, through no fault of her own), that means that it wouldn't be fair for me to say that Barclaycard shouldn't have lent here, because I don't know what further checks would reveal.

I've also considered whether the relationship might have been unfair under s.140A of the

Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that Barclaycard lent irresponsibly to Miss L or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 26 November 2025.

Gregory Sloanes
Ombudsman