

Complaint

Mr B has complained about a credit card and limit increases Barclays Bank PLC (trading as “Barclaycard”) provided to him. He says it failed to take into account that multiple times loans or credit transfers were used to pay off the balance, with the balance then increasing constantly and causing him ongoing difficulty.

Background

This complaint is about a credit card that Barclaycard initially provided to Mr B in April 2012. Mr B was initially given a credit limit of £2,000.00 before it was increased to the following amounts at the following times:

Date	Limit increased to
May 2013	£2,500.00
December 2013	£3,500.00
May 2014	£4,500.00
February 2015	£6,500.00
May 2015	£8,000.00
August 2016	£8,500.00
April 2017	£9,000.00
January 2018	£9,500.00
September 2018	£12,500.00

In June 2025, Mr B complained saying that the credit card and the limit increases Barclaycard provided to him were unaffordable, failed to take into account that multiple times loans or credit transfers were used to pay off the balance, with the balance then increasing constantly and causing him ongoing difficulty.

Barclaycard did not uphold Mr B’s complaint. It believed that Mr B had complained too late. Mr B remained dissatisfied at Barclaycard’s response and referred his complaint to our service. When responding to our request for its file on Mr B’s complaint, Barclaycard reiterated that it believed Mr B had complained too late.

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

Mr B 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 B's complaint was made too late because he complained more than six years after the decisions to lend to him were made; 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 it was reasonable to interpret Mr B's complaint as being 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 B's complaint. Given the reasons for this, I'm satisfied that whether Mr B'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 B's complaint should be considered more broadly than just the lending decisions. I consider this to be the case as Mr B has not only complained about the respective decisions to lend but has also alleged that this unfairly caused him ongoing financial difficulty.

I'm therefore satisfied that Mr B's complaint can therefore reasonably be interpreted as a complaint about the overall fairness of the lending relationship between him and Barclaycard. I acknowledge Barclaycard may not agree that we can look at Mr B'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 B's case, I am required to take relevant law into account. As, for the reasons I've explained above, I'm satisfied that Mr B'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 B), 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 B's complaint, I therefore need to think about whether Barclaycard's decision to initially lend to Mr B, increase his credit limit on the occasions it did, or its later actions resulted in the lending relationship between Mr B and Barclaycard being unfair to Mr B, such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

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

Our typical approach to irresponsible and unaffordable lending cases

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 Mr B'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.

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.

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

Application to Mr B's complaint - Did Barclaycard act fairly and reasonably when initially providing Mr B with a credit card and increasing his limit on the occasions that it did?

Barclaycard says it agreed to Mr B's application after obtaining some information on his income and expenditure and carrying out a credit search. And the information obtained indicated that Mr B would be able to make the monthly repayment due on the credit card. For the credit limit increases, Barclaycard relied on Mr B's management of his account and whether this suggested that he could sustainably pay additional credit.

On the other hand, Mr B says that credit card and limit increases were unaffordable, failed to take into account that multiple times loans or credit transfers were used to pay off the balance, with the balance then increasing constantly and causing him ongoing difficulty.

I've considered what the parties have said.

Barclaycard's decision to offer Mr B a credit card with a credit limit of £2,000.00

What's important to note is that Mr B was provided with a revolving credit facility rather than a loan. And this means that to start with Barclaycard was required to understand whether £2,000.00 could be repaid within a reasonable period of time, rather than in one go. It's fair to say that a credit limit of £2,000.00 didn't require especially high 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 Mr B had an annual income of around £20,000.00. Furthermore, the credit search showed that the amount of existing credit Mr B had was low. What's also important to note is that Mr B didn't have any significant adverse information – such as defaulted accounts or county court judgments (“CCJ”) - recorded against him at this time either. I've also seen that Mr B was asked about his living situation and said that he was living with his parents in response.

Bearing all of this in mind, there doesn't seem to be anything obvious in Mr B's circumstances that suggested he wouldn't have been able to repay £2,000.00 within a reasonable period of time. In these circumstances, given the apparent stability of Mr B's finances, his low indebtedness, his income and the fact that he was living with his parents, I'm satisfied that the checks Barclaycard carried out in this instance were reasonable and proportionate.

As the information that Barclaycard had suggested that when Mr B's existing committed expenditure was deducted from his declared income, he'd have ample funds available to repay this credit card, I'm satisfied that it was not unfair for Barclaycard to have accepted Mr B's application for this credit card. Therefore, it is my conclusion that there was no unfairness created at this stage.

The limit increases

As I've explained in the background section of this decision, Barclaycard went on increase that credit limit on Mr B's credit card on nine occasions. The first increase saw Mr B's limit being increased to £2,500.00 in May 2013 and the final limit increase saw Mr B's limit increased to £12,500.00 in September 2018.

In considering whether it was fair and reasonable for Barclaycard to have offered these limit increases, I'm mindful that in the just over six year period between May 2012 (which was the month Mr B made his first payment on this account) and August 2018 (which was the month before Mr B was offered the final limit increase), Mr B made monthly payments that totalled almost £85,000.00. This is far more than Mr B simply making the minimum payment he was required to.

Even if I were to accept that Mr B may also have had other credit commitments elsewhere during this time, I think it would be fair to say that his unsecured lending did not grow by the same amount in this time. Equally, as Mr B was making payments far in excess of what he was contractually obliged to, I'm not persuaded by the argument that he was forced into borrowing elsewhere, in order to meet the commitments that he had to make on this card, at least during this period.

Bearing in mind Mr B managed to make payments totalling almost £85,000.00 in just over six years, it is extremely difficult for me to say that Mr B's repayment record in itself didn't suggest that he could repay £12,500.00 within a reasonable period of time. This is important as Barclaycard was entitled to rely on Mr B's repayment record on this account when deciding whether to increase his credit limit and a reasonable period of time for repaying £12,500.00 would typically be considered to be a standard term a fixed sum loan for this amount would be.

It's not unfair to say that a typical term for a fixed sum loan of £12,500.00 would be at least five years and often six years – when this limit increase was offered in September 2018. In my view, Mr B actually repaying close to £85,000.00 in the six-year period that these limit increases were provided over is, in itself, a powerful indicator of him being able to repay the credit limit increases that Barclaycard offered.

Nonetheless, even though Mr B's repayment record on this credit card support the possibility that he could repay up to £12,500.00, within a reasonable period of time, I do think that there is a reasonable argument for saying that Barclaycard perhaps should have found out a bit more about Mr B's regular non-discretionary living costs before offering the limit increases.

I appreciate that Mr B is of the opinion that as Barclaycard cannot evidence having found out about his regular non-discretionary living costs, this should be the end of the matter, according to the regulator's rules¹ and as a result his complaint should be upheld. However, while I can to some extent understand why Mr B may believe this, it is not sufficient for me to uphold Mr B's complaint simply because there is an argument that perhaps should have done more.

I need to consider whether Barclaycard doing what it ought to have done would have made a difference to its decision. In other words, whether it having the information I think was missing here would have made a difference. And it is only fair and reasonable for me to uphold the complaint should I be satisfied that Barclaycard asking Mr B about his committed non-discretionary living expenses would have resulted in it deciding against offering Mr B these limit increases.

I appreciate that Mr B says that he wasn't able to afford these limit increases and that making his payments resulted in his financial position worsening. However, this is an argument he's made after reviewing bank statements. And Barclaycard wasn't required to review Mr B's bank account statements at all, let alone to the depth that he's reviewed them. This is especially bearing in mind what I've already said about what his repayment record on this credit card suggested about his ability to make the required repayments on this card going forward.

¹ Mr B's responses have referred to CONC 5.2A. However, this section of the Financial Conduct Authority's Consumer Credit Sourcebook ("CONC") only came into force on 1 November 2018. This is after Barclaycard's decision to provide Mr B with the credit card and all of the limit increases. I have nonetheless considered Barclaycard's actions against its relevant regulatory obligations and expectations at the relevant times.

At the time of Barclaycard's initial decision to provide the credit card and offer the first two limit increases, the Office of Fair Trading ("OFT") was the regulator for consumer credit. It published its Irresponsible Lending Guidance ("ILG") in March 2010. Regulation of consumer credit then passed to the current regulator, the FCA, on 1 April 2014. The final seven limit increases were offered during the period the previous iteration of the FCA's '*Creditworthiness assessment: before agreement*' rules and guidance was in force in CONC 5.2. As explained, this section of CONC was replaced by CONC 5.2A on 1 November 2018.

So while I appreciate that Mr B has gone to great lengths to demonstrate the full extent of his financial position at this time, I'm not persuaded that the results of Mr B's analysis is indicative of what Barclaycard is likely to have found out if it asked him about his living expenses. Furthermore, having extracted Mr B's committed and non-discretionary living expenses at the relevant times, I've not seen anything to indicate that these expenses in themselves mean that these credit card limit increases were unaffordable, or that they shouldn't have provided.

I've noted that Mr B and the investigator have discussed whether Mr B's other spending ought to have made a difference. However, the reality is that Barclaycard didn't know about this spending. I don't think that it could reasonably be expected to know about this either. Therefore, regardless of the amount and whether it was excessive, I'm not persuaded that the spending Mr B and the investigator discussed makes a difference, or means that Barclaycard acted unfairly in providing the limit increases to Mr B either.

Overall and having carefully considered everything, I'm satisfied that Barclaycard's checks before initially providing Mr B with his credit card were reasonable and proportionate. I also think that Mr B's repayment record prior to the limit increases meant that Barclaycard was reasonably entitled to conclude that these limit increases were affordable for him.

In any event, even if I were to be persuaded that Barclaycard needed to do more before offering the limit increases, this would have been limited to asking Mr B about his committed non-discretionary living costs. This is especially bearing in mind Mr B's repayment record and the fact that no significant adverse information was being recorded against him. The information Mr B has provided has not persuaded me that Barclaycard carrying out such checks would have prevented it from providing these credit limit increases to Mr B either.

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

Finally, I've seen that Mr B is unhappy at the way that Barclaycard answered his complaint. For example, I've seen that Mr B feels that Barclaycard's final response was extremely poor as it was poorly written and communicated and only reviewed the previous 12 months' worth of lending. However, Mr B was able to refer his complaint here and has had an independent review of his case. So I don't see how he could have lost out as a result of Barclaycard's handling of his complaint.

In any event and most importantly, complaint handling isn't an activity which falls within my jurisdiction. Ultimately, it is the regulator which monitors firms' actions in relation to the complaint handling rules (including the adequacy of any final responses) and which deals with any non-compliance in this area. So while I appreciate that Mr B is unhappy at the way Barclaycard handled his complaint, I'm afraid that this isn't a matter I can consider or award him compensation for.

Overall and having considered everything, while I can understand Mr B's sentiments and appreciate why he is unhappy, I'm nonetheless not upholding this complaint. I appreciate this will be very disappointing for Mr B. 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 B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 11 March 2026.

Jeshen Narayanan
Ombudsman