

The complaint

Mr H complains that Barclays Bank UK PLC trading as Barclaycard irresponsibly lent to him.

What happened

Mr H was approved for a Barclaycard account in March 2019, with a £8,800 credit limit. Mr H says that this was irresponsibly lent to him, and he made a complaint to Barclaycard, who did not uphold his complaint. Barclaycard said that they carried out various checks on affordability, and based on this, they opened his account. Mr H brought his complaint to our service.

Our investigator did not uphold Mr H's complaint. She said that Barclaycard's checks were proportionate, and that they made a fair lending decision. Mr H asked for an ombudsman to review his complaint. He made a number of points. In summary, he said that Barclaycard should have requested his actual income and outgoings, not relying on modelling.

Mr H said that although there may have been no issues apparent within the first 12 months of the account, affordability should have considered his longer-term financial resilience. He said the relationship with Barclaycard was unfair due to them approving a high credit limit and the default in 2022 illustrated the risk materialising.

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.

Before agreeing to approve the credit available to Mr H, Barclaycard needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. 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.

Barclaycard used information that Mr H provided, such as his income, and information from a Credit Reference Agency (CRA). Mr H declared a gross annual income of £45,000. Mr H has said Barclaycard should have requested his actual income, but Mr H has not told us his income was different to what he declared. At it wouldn't be clear why Mr H would declare an income which wasn't his gross annual income. Barclaycard are not required to request evidence such as pay slips/bank statements showing income prior to each lending decision.

The CRA that Barclaycard used showed Mr H had no defaulted accounts, and no accounts in arrears for the previous 12 months. Mr H had active unsecured debt showing as being £2,933. So if this was added to the £8,800 credit limit, then Mr H would have a debt to declared gross annual ratio of around 26%, so it wouldn't appear that Mr H would be overindebted. In addition to this, if Mr H transferred a balance from another credit card provider to Barclaycard, then his debt to income ratio could be even lower than this.

Barclaycard also completed an affordability assessment for Mr H. While I accept what Mr H has said about Barclaycard not asking him directly for details about his outgoings, they are not required to do this for each lending decision. But Barclaycard did use modelling, which is an industry standard way of estimating outgoings, and information from the CRA about Mr H's credit commitments, to build this into the affordability assessment. The affordability assessment showed that Mr H would have a sufficient disposable income to be able to meet sustainable and affordable repayments to the account.

So in the absence of any adverse information on Mr H's credit file, and the disposable income showing after the affordability assessment, then I'm not persuaded it would have been proportionate for Barclaycard to have contacted Mr H directly to ask him details about income and outgoings, or to request evidence of this from something like a bank statement, as this wouldn't be proportionate in the circumstances here.

So I'm persuaded that Barclaycard's checks were proportionate, and they made a fair lending decision to provide a £8,800 credit limit for Mr H.

I've considered what Mr H has said about what happened in 2022, and I'm empathetic to what happened. But I'm not persuaded that it would be foreseeable to Barclaycard what would happen around three years after he was approved for the account, especially when the checks should the lending to be affordable and there was no sign of any financial difficulty prior to the account being opened. So I can't agree that this was an unfair relationship here.

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 Mr H or otherwise treated him 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 Mr H to accept or reject my decision before 4 December 2025.

Gregory Sloanes
Ombudsman