

The complaint

Mr F complains that Barclays Bank plc (via Barclaycard ("Barclays")) provided credit to him irresponsibly and the credit was unaffordable.

What happened

In April 2025 Mr F applied for and received a credit card from Barclays. It had an initial credit limit of £200. This limit was increased to £6,100 in May 2025 after Mr F provided them with bank statements for income validation purposes.

Mr F subsequently complained to Barclays. He said that they were not a responsible lender and they should not have increased his credit limit because of the gambling problems and financial difficulties shown by the bank statements.

Barclays looked into what Mr F had said and issued a final response letter in September 2025. They accepted the complaint. They offered to refund interest and charges, close the account and freeze interest, and told Mr F that all adverse information would be removed from his credit file when the balance was cleared. They also offered help to Mr F with his gambling problem and with his financial difficulties.

Mr F wanted the full account balance to be written off. Barclays said they couldn't do this because he had benefitted from the card which had been used for the consolidation of third-party debt with 0% interest on balance transfers. Overall they upheld the complaint with the exception of Mr F's request that the full account balance should be written off.

Barclays have issued a Termination Notice on the account. They have also issued a Default Notice, and sold the account to a third party.

Mr F didn't accept what Barclays had agreed to provide and therefore referred his complaint to our service. He wanted:

- a write-off of the remaining balance due to Barclays;
- additional compensation for stress and harm caused;
- the immediate removal of any adverse markers from his credit file; and
- the Investigator to consider similar outcomes from this service in comparable cases.

One of our Investigators looked into it. He thought that Barclays had provided appropriate redress, having accepted that they had lent irresponsibly. Specifically he thought that:

- the remaining debt shouldn't be written off as Mr F had benefitted from the card;
- additional compensation wasn't warranted as remediation had been applied appropriately; and
- adverse credit information couldn't be removed from Mr F's credit file whilst there was an outstanding balance due to Barclays.

He further explained that each case was assessed by this service on its individual circumstances. Regarding the issue of the Termination Notice, he said that this was a standard collections procedure when an account isn't being maintained, which was the case here.

Barclays didn't dispute this position but Mr F did and asked for an Ombudsman's decision. He maintains the redress isn't fair, it doesn't reflect the impact of the lending decision, and the credit he was given didn't consolidate his debts sustainably.

The Investigator reconsidered what he'd said in light of the points Mr F raised. He remained satisfied that the redress Barclays offered did appropriately address what they had accepted as being irresponsible lending.

As an agreement couldn't be reached, the complaint has been passed to me to decide.

Mr F has raised additional points since his complaint to this service. Specifically that Barclays have issued a Default Notice on the account; they are requiring him to make the minimum payments due on the card; and the account has now been sold by them to a third party. As these points did not form part of the complaint as referred to this service, I have not considered them.

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.

Our approach to complaints about irresponsible and unaffordable credit provision and about forbearance is set out in detail on our website. I've used this approach to help me decide Mr F's complaint. For example, I've considered the rules and guidance relevant to forbearance set out in the Financial Conduct Authority's ("FCA") Consumer Credit Sourcebook ("CONC").

I've kept all of this in mind when considering whether Barclays did what was required before offering forbearance to Mr F.

Issuing the card

Barclays have accepted the complaint regarding irresponsible and unaffordable lending when the card was issued. Therefore I don't need to consider this point.

Forbearance

I have considered whether Barclays did what was required when they became aware of Mr F's gambling problems and financial circumstances.

They accepted that the affordability checks they had carried out before increasing the credit limit on the card to £6,100 weren't adequate; they should have asked more questions of Mr F; and they should not have provided him with such a high credit limit.

I have considered the service's standard approach to redress in the event of irresponsible lending. The business should:

- Rework the account to remove all interest, fees, charges and insurances (if any) that have been applied but not yet refunded;
- If the rework results in a credit balance, this should be refunded together with 8% simple interest per annum calculated from the date of each overpayment to the date of settlement;
- If after the rework there is still an outstanding balance then the business should arrange an affordable repayment plan for the remaining amount due; and
- Once the account is cleared, the business should remove all adverse information regarding the account from the relevant credit file.

Here, Barclays agreed to credit the card account with £157.30 by way of balance transfer fees; to freeze interest at 0% permanently; to close the account immediately; not to apply any further interest to it; and to remove the account from Mr F's credit file once it had been settled. They also offered help to Mr F with his gambling issue, and his financial difficulties where he had entered into a debt management plan ("DMP") which Barclays agreed to work within.

Taking each of these points in turn, I think that:

- The primary use of the credit was for credit balance transfers, consolidating debt held elsewhere onto 0% interest. This was therefore existing rather than new debt. It is reasonable in the circumstances of this case for Mr F to repay this debt, and for Barclays to write off the balance transfer fees;
- Mr F has benefitted from the interest rate being frozen at 0% permanently;
- Closing the account will prevent further debt accruing; and
- Information on a credit file needs to be accurate. Mr F has an indebtedness to Barclays, who have agreed to remove the account from his credit file once the sum due has been settled. I'm not aware of any exceptional circumstances that would justify a full write-off of the sum due at this stage.

Overall, having reviewed the account, I can't see that Barclays ought reasonably to have been aware of Mr F's gambling at the time of lending. Therefore I can't say they caused him foreseeable harm by lending and so I can't reasonably say they ought to write off the outstanding balance. He's also benefitted by consolidating other debts at 0% which is now frozen at this rate and therefore is cheaper than it would've been for him otherwise.

So far as the Termination Notice is concerned, this was issued because the amounts being paid each month by Mr F against the account were less than the standard minimum payments due to Barclays. I think this was a fair and reasonable step for Barclays to take in such circumstances. They are not prevented from doing so by the DMP, which they have agreed to work within.

Overall, whilst it will likely come as a disappointment to Mr F, I don't think that Barclays failed to comply with their forbearance obligations when they became aware of his financial circumstances. I think the redress they offered was fair and proportionate; it did fully address the impact of their lending decision; and the extra credit provided by them did allow Mr F to consolidate his debts with 0% interest. Nor do I think Barclays acted unreasonably when they issued the Termination Notice.

I've also considered whether the relationship between Mr F and Barclays might have been unfair to Mr F under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for

the reasons I've already given, I don't think that Barclays treated him unfairly in relation to this matter. Nor have I seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here so far as Barclays are concerned.

My final decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 19 March 2026.

Richard Ellison
Ombudsman