

The complaint

Mr H complains that Barclays Bank UK PLC trading as Tesco Bank declined to increase the credit limit on his credit card account.

What happened

Mr H has a credit card account with Tesco Bank, with a credit limit of £4,500. He says he has tried to increase the credit limit several times over the years. However, on 1 July 2025, he says he received an email that told him he was eligible for a credit limit of up to £7,500. Mr H attempted to increase his credit limit following receipt of the email; however, his request was declined.

Mr H says that he called Tesco Bank to ask for help, but the person he spoke to explained that he wasn't entitled to the increase and he wasn't provided with an explanation as to why.

To put things right, Mr H says he would like Tesco Bank to increase his credit limit to £7,500.

Tesco Bank responded to Mr H's complaint, but it didn't uphold his concerns. It said that when it emailed Mr H on 23 June 2025, to let him know he was eligible for a credit limit increase, this was based on the information it held when conducting the assessment which could have been up to 30 days prior to the email. It said that it explained that it considered all requests for the increases at the time they are made. If circumstances have changed during that time, the increase might not still be available. It gave examples of the types of information it reviews when considering an increase to the credit limit. Ultimately, it explained that it hadn't made an error in declining the increase, but it explained that Mr H could ask for the decision to be manually reviewed by its Underwriting Team.

An Investigator considered the information provided by both parties, but they didn't think Mr H's complaint should be upheld. They explained that Tesco Bank had fairly declined Mr H's request for his limit to be increased, and they explained what Mr H would need to do if he wanted the decision manually reviewed.

Mr H didn't agree with the Investigator's view. He reiterated that he had received communication from Tesco Bank telling him that he was eligible for a credit limit increase, and so he should be entitled to that increase. Mr H added that Tesco Bank hadn't provided him with a reason to say what it is about his circumstances that it thinks has changed and he confirmed that his circumstances hadn't changed.

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

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.

Having considered all of the available evidence, I've decided not to uphold Mr H's complaint. I appreciate this decision will come as a disappointment to him; however, I will explain my findings below.

I've looked closely at the email Tesco Bank sent Mr H on 1 July 2025. This states:

"We're pleased to let you know that based on the information we hold, you are eligible for a credit limit of up to £7,500 on your Tesco Bank Credit Card. Your current limit is £4,500.

Please bear in mind that we consider all requests for a credit limit increase at the time they are made. If your circumstances have changed, the increase above might not be available, or we'll choose a more suitable credit limit for you."

So, the email Tesco Bank sent to Mr H suggests that based on the information it held about him, he was eligible for an increase in his credit limit, so I can understand why Mr H would likely have been disappointed when his request to increase his credit limit wasn't successful. That being said, I would only expect Tesco Bank to increase someone's credit limit where it was satisfied that it was doing so responsibly, and for the reasons I'll go on to explain, I think its reasons for declining to increase Mr H's credit limit were fair and reasonable.

Tesco Bank said that prior to it sending him the email about the limit increase, it assessed his eligibility for an increase based on the information it held about him. But when Mr H went to apply for the increase, it said his request was declined. It has explained to this Service that the decline was because the information it held about Mr H's income, wasn't the same as the information held by the Credit Reference Agency it uses to verify income. Because of this, his request for an increase was automatically declined. It appears that Tesco Bank was only aware of this discrepancy once Mr H had submitted his request. And therefore, I can't find that it was unfair or unreasonable of Tesco Bank to have sent Mr H the email in the first instance. And the email does make it clear that the request will be considered at the time it is made – which might result in the suggested limit no longer being available – which is the case here.

Given that Tesco Bank has obligations as a responsible lender, I don't think its decision here was unreasonable. It is up to Tesco Bank to make a commercial decision in deciding what risk it is prepared to take when providing credit to a customer. This Service wouldn't generally interfere with a firm's commercial decision, as long as it appears to be fair. And given the reasons provided by Tesco Bank for its decision not to increase Mr H's credit limit, I can't reasonably conclude that its decision was unfair. I say this because income will generally play a big part in a firm's decision to set a credit limit it deems affordable. In this case, Tesco Bank had been provided with differing information to what it thought Mr H's income was. So, it doesn't seem unreasonable that this led to a decline.

Tesco Bank has confirmed that the decline decision was an automated one. And it has explained to Mr H that he can have the decision manually reviewed, and what information he'll need to provide to Tesco Bank to have this done. This feels like a fair way forward in the circumstances, and I don't think Tesco needs to do anything else here. It follows that if Mr H does want his request to increase his credit limit reviewed, he will need to provide Tesco Bank with the information it has asked for – this doesn't however guarantee that the limit will be increased.

Taking everything I've read into account, I haven't seen any persuasive evidence to suggest that Tesco Bank has done anything wrong when declining Mr H's credit limit increase request. And as I've explained, if Mr H does want this reviewed, then he'll need to provide Tesco Bank with the information it has asked for so it can manually review this decision.

My final decision

For the reasons set out above, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 December 2025.

Sophie Wilkinson
Ombudsman