

## **The complaint**

Miss S is unhappy that Barclays Bank UK PLC trading as Barclaycard reduced her credit limit and won't reinstate it to its previous level.

## **What happened**

In February 2025, Miss S raised a complaint with Barclaycard as she was unhappy that they had reduced the credit limit on her account from £8,700 to £500.

Barclaycard responded to Miss S but didn't feel that they'd done anything wrong and explained that they had received an alert from a credit reference agency ("CRA") which had led them to reduce the credit limit on her account. Miss S wasn't satisfied with Barclaycard's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Barclaycard had acted unfairly by choosing to reduce the credit limit on Miss S's account. Miss S disagreed, so the matter was escalated to an ombudsman for a final decision.

## **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 done so, I'd like to begin by explaining that a credit limit isn't a 'right' that a consumer has. Instead, it's provided solely at the discretion of the credit provider.

This means that if a credit provider decides that it is no longer willing to offer an amount of credit to an account holder and thus chooses to reduce the amount of credit available to that account holder, this is a commercial decision that the credit provider is entitled to make.

What this service would generally expect would be that any decision to reduce a credit limit is not made arbitrarily. In this instance, Barclaycard have demonstrated to my satisfaction that they did receive an alert from one of the CRAs regarding Miss S in early February 2025, and it was this alert which prompted them to reduce the credit limit on Miss S's account.

The type of alert that Barclaycard received from the CRA was general in nature and indicated that another lender with which Miss S held credit had reported adverse behaviour to her credit file. This could be, for instance, a missed payment or a reduced payment arrangement, or even an account default.

The purpose of the alert is to inform other providers of credit to Miss S, such as Barclaycard, that an adverse marker has been recorded, so that they can update their assessment of Miss S's creditworthiness. Ongoing creditworthiness assessments are maintained by all credit providers and are based on parameters set by individual credit providers in line with their own appetite for risk (the risk that an account holder won't be able to repay the money they've borrowed).

Having received such an alert, it seems reasonable to me that Barclaycard would have

concerns about Miss S's ability to repay credit that they provided to her and would reduce her credit limit in accordance with their own appetite for risk. As explained above, this is Barclaycard's right as a credit provider. And while I appreciate that Miss S believes that the adverse activity that led to the CRA alert was the result of a mistake by another credit provider, I don't feel that I can fairly or reasonably censure Barclaycard for acting based on the alert that they received.

It's also notable that when Miss S first contacted Barclaycard about the reduction in her credit limit, her account was passed to Barclaycard's underwriting team to review. This review resulted in a confirmation by Barclaycard's underwriting team that they weren't willing to increase Miss S's credit limit beyond £500 at that time. And I'm satisfied that this review confirms that Barclaycard's decision to reduce Miss S's credit limit to that amount was in alignment with Barclaycard's attitude to risk.

When Barclaycard responded to Miss S's complaint, which they did on 19 March 2025, they confirmed that they weren't willing to increase Miss S's credit limit at that time. Again, this seems reasonable to me, based on what I've explained above, and it follows from this that I won't be upholding this complaint or instructing Barclaycard to take any form of action here.

Miss S has is also unhappy about events that took place after Barclaycard issued their formal response to her complaint. But this service can only consider points of complaint that have been previously raised with the respondent business directly, such that the business has had a formal opportunity to consider and respond to them. This means that any further dissatisfaction Miss S may have falls outside the scope of what I can consider here.

If Miss S remains unhappy about those further points, she can raise them as a new complaint with Barclaycard, so that Barclaycard have an opportunity to respond to them. After Barclaycard have had such an opportunity, Miss S may have the right to refer that further complaint to this service, should she wish to do so at that time.

In summary, I feel that it's for Barclaycard to decide what amount of credit they're willing to provide to Miss S, and I'm satisfied that it's reasonable for Barclaycard to have reduced the amount of credit available to Miss S in the manner that they did because of the alert from the CRA that they received.

It's my understanding that Miss S now feels that she has resolved the mistake made by her other credit provider and that there should no longer be any adverse activity reported to her credit file. Barclaycard have confirmed that Miss S can apply to them for an increase in her credit limit, but as explained, Miss S does not have a 'right' to have her previous credit limit restored and that any amount of credit that Barclaycard provide to her is entirely at Barclaycard's discretion.

If Miss S disagrees with how Barclaycard are assessing her, then she can of course apply to other credit providers who may assess her differently based on their own criteria. But if it is the case that another credit provider assesses Miss S differently based on their own criteria, that wouldn't invalidate Barclaycard's right to assess Miss S based on their criteria. And if Miss S finds that other credit providers she applies to also do not offer her the amount of credit she would like, this may suggest that Miss S's expectations about the level of credit she might be offered do not align with how lenders are currently assessing her.

I appreciate that this won't be the outcome Miss S was wanting, but I hope she will understand, given what I've explained, why I've made the final decision that I have.

**My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 12 March 2026.

Paul Cooper  
**Ombudsman**