

The complaint

Mr W complains that Barclays Bank UK Plc trading as Barclaycard ('Barclaycard') unfairly reduced his credit limit. He'd like Barclaycard to reinstate his limit and pay compensation.

What happened

In March 2025 Barclaycard reduced Mr W's credit limit from £17,400 due to an entry on his credit file. Mr W's credit file was amended, and Barclaycard agreed to increase Mr W's limit to £12,000.

Mr W complained. Before Barclaycard responded to Mr W's complaint, they decreased his credit limit a second time.

Barclaycard apologised for poor complaint-handling but felt their decisions were fair, so they didn't uphold Mr W's complaint.

Mr W asked the Financial Ombudsman Service to investigate. He said Barclaycard reduced his credit limit a third time in May 2025 and he was now left with a limit of £100. Mr W didn't think he'd been treated fairly, as the error on his credit file had been resolved.

Our reviewed the available evidence and submissions and concluded Barclaycard didn't need to take further action. Mr W disagreed and asked for an ombudsman 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.

I've taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

I am sorry to disappoint Mr W but I don't uphold his complaint. I will explain why, though I broadly agree with our investigator.

While I'm mindful of Mr W's frustrations there are limits to what our service can do. I can't consider complaints about complaints handling, but I was pleased to see Barclaycard apologised that Mr W had experienced trouble raising his complaint.

Our service is not the financial regulator, and I can't interfere with the processes and systems a business puts in place. That's the role of the Financial Conduct Authority ('FCA'). This means I can't help Mr W to the extent he would like. However, I can consider whether Barclaycard fairly followed their process when decreasing Mr W's credit limit, and if they've acted in line with their regulatory obligations.

The starting point is Barclaycard's terms and conditions. These say:

“We set your credit limit according to your circumstances, your account usage and history, information from other parts of the Barclays group, information we receive from credit reference agencies, and any other information we think is relevant. We’ll tell you what your credit limit is when we first open your account. We’ll then review it from time to time...”

“If we reduce your credit limit based on an assessment of risk or your ability to repay, we have the right to not give you any notice beforehand if we think this would not be appropriate.”

I’m satisfied Barclaycard had the right to decrease Mr W’s limit without prior notice. I don’t think this is unreasonable given Barclaycard will want to discourage customers from increased spending before the new limit takes effect.

Mr W doesn’t dispute there was a reason for the first credit limit decrease, so I’m not going to focus on this. I think it was fair for Barclaycard to react to the adverse marker on Mr W’s credit file, given they weren’t aware it was an error at the time. I was pleased to see Barclaycard were quick to review this decision after Mr W contacted them.

I understand why Mr W thought his original limit would be automatically restored when his credit file was corrected, but this isn’t something I’d expect Barclaycard to do. Barclaycard are under an obligation to lend responsibly so I think it’s fair they set Mr W’s limit after undertaking checks at the time the increase was sought. I acknowledge this was disappointing for Mr W.

I’d expect Barclaycard to give Mr W the main reason for the further decreases to his credit limit when he asked. But I wouldn’t expect them to divulge the details of their considerations, their lending criteria or their appetite for risk as this is commercially sensitive information.

Barclaycard said they’d reduced Mr W’s credit limit following alerts they received about Mr W’s credit file. This is in line with Barclaycard’s terms and conditions. I also think that’s a fair and reasonable basis for Barclaycard to review Mr W’s credit limit.

I acknowledge Mr W doesn’t think the alerts are correct, or that it’s fair to rely on them in his circumstances. He says he has built good financial standing over 45 years – which I have no reason to doubt – and he can’t find adverse entries on his credit file. Mr W doesn’t think Barclaycard undertook soft searches around the time of each decrease, so didn’t verify the information they relied on. And he thinks Barclaycard are treating him as a higher risk borrower because it looks like he’s used his available credit, when really this is a result of his limit being reduced in line with his outstanding balance.

I think Barclaycard engaged fairly with Mr W when he raised his concerns. Barclaycard undertook further manual reviews in April 2025 and during our service’s investigation. A senior underwriter checked the decisions were correct and that Barclaycard’s process had been properly followed.

The information from Barclaycard’s underwriter persuades me that the decisions to decrease Mr W’s credit limit were triggered by the credit alerts and there’s nothing to suggest these credit alerts were wrong at the time they were received. I think Barclaycard have fairly followed their usual process when decreasing Mr W’s credit limit. I recognise Mr W disagrees the process is fair, but this isn’t something I can interfere with.

Barclaycard did a soft search of Mr W’s credit file and provided Mr W with information about how he might maximise his chances of being accepted for a higher limit in the near future. I think that information was helpful to Mr W as he wants to restore his credit facility, although I

accept he might not wish to bank with Barclaycard following his experience. It is up to Mr W to decide who he banks with, just as it is for Barclaycard to decide how they lend money.

I know this wasn't the result Mr W was hoping for but I'm not persuaded Barclaycard have treated him unfairly in these circumstances.

My final decision

For the reasons I've given, and whilst fully acknowledging Mr W's unhappiness, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 17 February 2026.

Clare Burgess-Cade
Ombudsman