

The complaint

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

What happened

Mr C was approved for a Barclaycard credit card in July 2016, with a £1,000 credit limit. The credit limit was increased in August 2017 (to £1,500), in April 2018 (to £2,250), in February 2019 (to £3,400), and in November 2021 (to £5,100). Mr C says that Barclaycard irresponsibly lent to him. Mr C made a complaint to Barclaycard, who did not uphold his complaint. Barclaycard said that they completed reasonable and proportionate checks to satisfy themselves that he could repay the credit in a sustainable way. Mr C brought his complaint to our service.

Our investigator did not uphold Mr C's complaint. He said that Barclaycard's checks were proportionate, and they made fair lending decisions. Mr C asked for an ombudsman to review his complaint. He made a number of points. In summary, he said that he was very young when he took out the Barclaycard, he had limited experience, and he was already managing a small overdraft. Mr C said that Barclaycard's checks were not adequate, he was using the majority of his credit limits, and he was making minimum repayments.

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.

Firstly, I'm aware that I've only summarised Mr C's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I've considered what Mr C has said about his age when he applied for the Barclaycard, and his financial experience. Based on Mr C's testimony he said he was managing a small overdraft, so it did appear Mr C had existing experience of borrowing. As Mr C met the age requirement of the product, then I wouldn't expect Barclaycard to do anything different based on Mr C's age. I say this as if they did treat him differently due to his age than somebody who was older than him, then this could be considered to be age discrimination.

Before agreeing to approve or increase the credit available to Mr C, 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.

Acceptance for the Barclaycard

Barclaycard used information that Mr C provided such as his income, and information from a Credit Reference Agency (CRA). Mr C declared a gross annual income of £12,000. The CRA that Barclaycard used showed Mr C had no defaulted accounts, and no accounts in arrears for the previous 12 months.

Mr C had active unsecured debt showing as being £0. So if he was managing an overdraft at the time, he didn't have an outstanding balance being reported by the CRA. The initial credit limit of £1,000 would have been around 8.3% of his declared gross annual income. So it wouldn't appear that Mr C would be overindebted.

Barclaycard also completed an affordability assessment for Mr C. Barclaycard used modelling, which is an industry standard way of estimating outgoings such as essential spending. The affordability assessment showed that Mr C would have a sufficient disposable income to be able to meet sustainable and affordable repayments for a £1,000 credit limit.

So in the absence of any adverse information on Mr C'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 C directly to ask him details about income and outgoings, or to manually review 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 £1,000 credit limit for Mr C.

August 2017 credit limit increase - £1,000 to £1,500

A CRA reported that Mr C had external debt of £281 just prior to this credit limit increase. Barclaycard would have also seen how Mr C managed his account since it had been opened.

I did identify Mr C incurred a late payment fee, which could be a sign of financial difficulty. But here, it appears to have been an oversight from Mr C. I say this as he made repayments totalling £232.76, after he incurred the fee, which was over ten times what the minimum requested repayment was.

Overpaying his minimum requested repayment on the account was not an isolated occasion. I say this as every month Mr C made repayments to the account prior to the credit limit increasing was for at least £232.73, when the most that his minimum requested repayment was £19.15. So Mr C had consistently shown that he could make sustainable and affordable repayments for a higher credit limit.

So I'm persuaded that Barclaycard's checks for this lending decision were proportionate, and they made a fair lending decision here.

April 2018 credit limit increase - £1,500 to £2,250

A CRA reported that Mr C had external debt of £6,903 just prior to this credit limit increase, which was a lot higher than at the last lending decision. But the data showed Mr C was paying £153 a month for this loan, and the outstanding balance had been reducing month by month since the data showed the increase in the debt, so it would appear Mr C was maintaining his monthly repayments here. Barclaycard would have also seen how Mr C managed his account since the last lending decision.

I did identify Mr C incurred two late payment fees, which could be signs of financial difficulty. But again, these seem to be oversights from Mr C. as he made a repayment no later than

four days after his statement was produced, and in the same calendar month.

There were also times where Mr C made total monthly repayments to his Barclaycard which were substantially over his minimum repayment, such as one month he made total repayments of £793, and one month he made total repayments of £416.

So I'm persuaded that Barclaycard's checks were proportionate here, and they made a fair lending decision.

February 2019 credit limit increase - £2,250 to £3,400

A CRA reported that Mr C had external debt of £5,371 just prior to this credit limit increase, which was lower than at the last lending decision. The data again showed Mr C was paying £153 a month for this loan, and the outstanding balance had been reducing month by month since the data showed the increase in the debt, so it would appear Mr C was maintaining his monthly repayments here. Barclaycard would have also seen how Mr C managed his account since the last lending decision.

I did identify Mr C incurred one late payment fee, which could be a sign of financial difficulty. But again, this seems to be an oversight from Mr C. as he made a repayment four days after his statement was produced, and in the same calendar month.

Mr C again didn't always make just his minimum repayment, as there was one month that he made a higher repayment than his minimum requested repayment. He also wasn't approaching his credit limit at the time of this lending decision.

So I'm persuaded that Barclaycard's checks were proportionate here, and they made a fair lending decision.

November 2021 credit limit increase - £3,400 to £5,100

A CRA reported that Mr C had other debt of £4,144 (excluding mortgage balance) just prior to this credit limit increase, which was lower than at the last lending decision. Barclaycard would have also seen how Mr C managed his account since the last lending decision.

In the 12 months leading up to this credit limit increase, Mr C incurred no late or overlimit fees, so he was managing the account well, prior to the last credit limit increase. I did note that at times he exceeded his credit limit, without him being charged for this in the 12 months leading up to this credit limit increase, however, he appears to exceed his credit limit due to the interest being charged at the end of the statement period debiting the account. So it would appear to be poor account management as opposed to financial difficulty.

Mr C again didn't always make just his minimum repayment, as there were six months out of the last 12 months prior to this credit limit increase that Mr C made higher repayments than his minimum requested repayment (sometimes more than £100 higher than his requested minimum repayment).

So I'm persuaded that Barclaycard's checks were proportionate here, and they made a fair lending decision.

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 C 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 C to accept or reject my decision before 10 March 2026.

Gregory Sloanes
Ombudsman