

## **The complaint**

Miss L complains that Barclays Bank UK PLC reduced her credit limit.

## **What happened**

Miss L hold a credit card with Barclays.

On 24 June 2025 Barclays advised Miss L that her credit limit was being reduced from £6700 to £1200 as a result of information received from the credit reference agencies.

Miss L was concerned about such a large reduction in her credit limit. It impacted her credit file because her credit utilisation went from under 20% to 80%. When Miss L contacted Barclays to query the reduction, she was advised to check her credit file.

On checking her credit file, Miss L discovered that there had been an error on her water bill which had resulted in a missed payment being incorrectly reported. Miss L said this has now been corrected and her credit file amended.

Barclays subsequently reduced Miss L's credit limit to £100. Miss L raised a complaint.

Barclays didn't uphold the complaint. In its final response dated 10 October 2025 it said the decision to reduce Miss L's credit limit was based on information received from the credit reference agencies, who had notified Barclays of a payment arrangement Miss L had made with another creditor. Barclays said it was obliged to act on this information to protect Miss L from developing unmanageable levels of debt.

Miss L wasn't happy with the response and brought her complaint to this service.

Our investigator didn't uphold the complaint. She said that Barclays had acted within the terms and conditions by reviewing the credit limit and that there was no obligation to give prior notice to Miss L.

Miss L didn't agree so I've been asked to review the complaint.

## **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 know it will disappoint Miss L, but I agree with the investigator's opinion. I'll explain why.

I've read and considered the whole file including the points made by Miss L in response to the investigator's opinion. However, I'll limit my comments to those points which I think are most relevant to my decision. If I don't comment on a particular point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I've reviewed the terms and conditions of the account. These state that Barclays can reduce

the credit limit if it has a valid reason to do so. A valid reason can include things like a change in the consumers circumstances or a change in the banks assessment of the risks of lending to the customer.

The terms and conditions state that Barclays don't have to give advance notice of a reduction in the credit limit.

Miss L agreed to these terms and conditions when she took out the card.

I've reviewed the available information about why Barclays took the decision to reduce Miss L's credit limit. Barclays has explained that it received information from the credit reference agencies. This led to a change in Barclays assessment of the risks in lending to Miss L. This is one of the reasons for a reduction in a credit limit which would be considered a valid reason under the terms and conditions of the account.

Miss L has said that other lenders didn't reduce her credit limit. I can't comment on this, as all lenders have their own lending criteria which informs the decision that they reach.

Based on what I've seen, I'm unable to say that Barclays has made an error or treated Miss L unfairly. The terms and conditions allow Barclays to reduce the credit limit.

For the reasons I've explained above I'm unable to uphold the complaint. I won't be asking Barclays to do anything further.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 24 December 2025.

Emma Davy  
**Ombudsman**