

The complaint

Mr P complains that Barclays Bank UK PLC trading as “Barclaycard” decreased his credit limit.

What happened

Besides summarising Mr P’s complaint and some other relevant points, I won’t repeat all of the facts of the case here as those aren’t in dispute. Rather, I’ll focus on giving the reasons for my decision.

Barclaycard decreased the credit limit on Mr P’s credit card account in May 2025, from £3,500 to £2,100 and again, in July 2025, to £1.

I’ve summarised Mr P’s complaint as follows:

- Barclaycard has lied to him over the phone about the reason for his credit limit being reduced. That’s resulted in hours of Mr P’s time spent calling, using online chats and having to repeatedly write to complain, to attempt to resolve things.
- Although Barclaycard has apologised and paid compensation, it won’t reset his credit limit.
- It has been incredibly stressful for him and his wife.

Barclaycard didn’t uphold Mr P’s complaint about decreasing his credit limit, but it did apologise and paid £50 compensation for what happened when Mr P called. It said it was sorry it couldn’t explain the reason for the credit limit reduction when he called and for the time he spent trying to get answers.

Because the parties couldn’t agree, the matter has been passed to me to decide.

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, whilst I appreciate this will disappoint Mr P, I’m not upholding his complaint – and I’ll explain why.

As a starting point, I understand Mr P has made a separate complaint with our service about arrears on his Barclayloan and has received a decision on that complaint. Whilst it’s relevant at certain points to mention the arrears on his Barclayloan, for the purpose of this complaint, I want to make it clear I won’t be making any findings on that complaint. My decision focuses solely on Mr P’s complaint about his credit card.

Barclaycard sent letters at the time of both credit limit decreases. Those letters explain that Barclaycard want to make sure no one’s borrowing more than they can afford, so it checks credit limits, looking at things like whether there have been any missed or late payments – and checking in with Credit Reference Agencies (“CRAs”).

The terms and conditions of Mr P's account allow Barclaycard to reduce a credit limit at any time. And Mr P will have agreed to these terms and conditions when he took out the card and entered into the credit agreement. All lenders set credit limits based on their own internal lending criteria.

Based on what I've seen, I'm satisfied Barclaycard hasn't made an error when it reduced Mr P's credit limit, on either occasion. I say this because it's acted in line with the terms and conditions of the account. And it isn't within my power to tell a business what its internal lending criteria should look like or how it should apply it. Rather, that's a commercial decision for Barclaycard.

Instead, it's my role to look at whether the decision to reduce Mr P's credit limit was fair and reasonable. So, I've looked at the information that led to Barclaycard's decision.

Barclaycard has explained that it reduced Mr P's credit limit due to arrears on his Barclayloan. From everything I've seen, I'm satisfied Barclaycard didn't treat Mr P unfairly when reducing his credit limit, nor did it make a mistake. Instead, it acted reasonably in response to information about how Mr P was managing his Barclayloan.

Barclaycard has accepted, however, that it caused Mr P distress and inconvenience by not giving the correct reason for the limit decrease when Mr P called initially. I understand this was distressing for Mr P and it meant he wasted time calling and attempting to use online chats, trying to get the correct answer. I'm satisfied Barclaycard's apology and payment of £50 goes far enough to compensate Mr P for this.

I say this, in part, because although Mr P was given the incorrect information initially, Barclaycard put this right within a relatively short period of time, when it sent its final response mid-June. It explained in that letter, the correct reason for the decrease. And in any event, whilst the initial information provided suggested the decline was to do with Mr P's credit file information, this isn't totally out of kilter with the correct reason, in that Mr P's Barclayloan was in arrears.

I also can't attribute all of Mr P's distress and inconvenience to the mistake Barclaycard made when providing information about why his limit was decreased.

Having read Mr P's testimony about what happened, the main source of his distress and inconvenience, is that his credit limit has been reduced. I understand he relied on his credit card for holidays and feels a strong sense of unfairness about what's happened. But I'm also satisfied, for the reasons explained, that it wasn't wrong for Barclaycard to have reduced Mr P's limit. So, I won't be awarding compensation for any distress or inconvenience this has caused Mr P.

In addition, irrespective of whether Mr P had been given the correct information about the reason for the decrease, I think he would have gone onto complain anyway, given he continued to disagree with Barclaycard's reasons for decreasing his limit, after being told the correct reason. So, I don't think the initial incorrect information provided was the sole or main reason for Mr P raising these complaints with Barclaycard.

Mr P, in response to our Investigator's view, also places great emphasis on his dispute about the arrears on his Barclayloan and says that's the fundamental issue here. But for the reasons I've explained above, I'm not considering a complaint about that here. So, I haven't factored this into whether I think the compensation Barclaycard has paid is fair, either.

I know Mr P feels his time is more valuable compared to the £50 that Barclaycard have paid him. To explain, we don't award compensation at an hourly rate or based on what someone may charge in their profession. Instead, we consider what happened and the impact that had on someone – and make a decision in line with how we award compensation for distress and inconvenience, as set out on our website.

I won't therefore be telling Barclaycard to do anything further, beyond what it has already done to put things right for Mr P.

I know this situation has impacted Mr P greatly and I'm very sorry to hear this. He said he wasn't aware of the arrears on his Barclayloan and so I can appreciate it will have come as a shock to him, both that his credit limit was being decreased and that he was in arrears on another product. But that being the case, for the reasons explained, I'm not upholding his complaint as I think Barclaycard has already gone far enough to put things right for him.

My final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 March 2026.

Sophie Kyprianou
Ombudsman