

The complaint

Mr R complains that Barclays Bank UK PLC trading as Barclaycard acted unfairly by offering him a promotional interest rate on money transfers from his credit card account.

What happened

Mr R holds a credit card account with Barclaycard. He also has a long-standing banking relationship with Barclays. Several years ago, he took two loans from Barclays after it contacted him to say he had been pre-approved for them. Later, Mr R made a complaint about those loans which was upheld by this service. I'll call that Complaint 1.

During the investigation of Complaint 1, Mr R made Barclays aware that he suffers with mental health issues. He has explained that his difficulties can compromise his ability to assess long-term consequences or manage financial products proactively. He says this means he will clutch at anything which might protect him in the moment with no thought for the long-term effects.

In 2022, which was after Complaint 1 had been upheld, Barclays contacted Mr R again to say that he had been pre-approved for a loan. Mr R acted upon this and took the further loan.

At around the same time, Barclaycard offered Mr R a promotional interest rate of 0% on money transfers from his credit card account. Mr R took up that offer too and made a money transfer of £8,900 to his current account. The transfer was interest-free until November 2023.

By around April 2024, Mr R was struggling financially and couldn't keep up his monthly credit card payments. He contacted Barclaycard about this in May 2024, and it suspended interest on his account. The account ultimately defaulted in August 2024.

Earlier in 2024, Mr R had complained to Barclays about the most recent loan. I'll call that Complaint 2. Barclays acknowledged that it had been made aware of Mr R's personal circumstances during Complaint 1. It said it should have suppressed loan offers to Mr R as a result. But that hadn't happened. Barclays apologised for offering Mr R another loan after he'd made it aware of his situation. It upheld Complaint 2.

Mr R also complained to Barclaycard about the money transfer offer. He said that the block on lending offers should have been applied to his credit card as well as other Barclays products. He said he shouldn't have received unsolicited offers from Barclaycard. So, he thought it should refund the interest he'd paid and write off the outstanding account balance.

Barclaycard didn't uphold the complaint because it said the 0% interest offer wasn't an extension of credit. So, it didn't think the offer should have been suppressed in the same way as the loan offers. Therefore, it didn't agree to refund any interest or write off the balance. Mr R wasn't happy with Barclaycard's response and brought the complaint to this service.

I issued a provisional decision on 16 October 2025 indicating my intention to uphold the complaint and direct Barclaycard to refund the money transfer fee and interest on the money transfer. Barclaycard accepted the provisional decision. But Mr R didn't think it went far enough to address the harm he has suffered. He raised some additional points for me to consider. I shared these with Barclaycard and, although it expressed sympathy for Mr R's situation, its position hasn't changed. As the parties haven't been able to agree a resolution, I'm now making a final decision about the complaint.

I'm only looking at the complaint about Barclaycard's money transfer offer here, not the loans. But Complaints 1 and 2 are relevant in providing the background to this 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've thought about everything again in light of Mr R's comments, particularly around the redress. I'm sorry to disappoint Mr R, but I haven't changed my mind about what I think is the fair outcome to this complaint. So I'm going to uphold it as indicated in my provisional decision. My reasons are set out below.

Barclaycard's reason for declining this complaint is that the 0% interest offer was not an extension of credit. It says that the offer related to spending within Mr R's existing credit limit, so it wasn't an offer of further lending. But Mr R disagrees, saying that the offer provided him with access to funds he didn't yet have.

I've thought about this carefully and I don't consider the promotional rate to be an offer of new lending. When a lender sets a credit limit, it's making the decision to lend that amount of money to its customer. Mr R's credit limit has been £10,000 since May 2018. So that's when Barclaycard decided to lend him that amount of money. The nature of the credit card arrangement means that it's up to Mr R whether and how to use that facility. The money transfer in 2022 was the first such transaction he had made under the current credit limit. But he'd had access to those funds ever since May 2018.

The terms and conditions of Mr R's account say that Barclaycard may offer him promotions, which might result in different interest rates on his promotional balance. That's what happened here. Mr R was offered a different interest rate, not a new line of credit. Other than this promotional interest rate, the terms and conditions which applied to the money transfer were Mr R's usual credit card terms and conditions, as the transfer was made under his existing credit card agreement.

Mr R paid a fee for the money transfer. But I don't think that means the transfer should be treated as a new line of credit. The terms and conditions of Mr R's account confirm that Barclaycard will charge a fee for cash transactions. So, the fee would have been payable on any money transfer made by Mr R, not just the transfer made under the promotion.

For these reasons, I find that Barclaycard's money transfer offer was not an offer of further credit. However, I don't think that's the only consideration here.

The parties have, at times, referred to a "lending block" being in place following Complaint 1 and Complaint 2. That implies Barclays shouldn't provide any further lending to Mr R. But, from what I've seen, I don't think Barclays had placed a block on lending to Mr R. Rather, I think it had agreed not to promote borrowing to Mr R.

Barclays' final response to Complaint 2 says that it "*should have suppressed loan offers*". It

acknowledged that it shouldn't have contacted Mr R about being pre-approved for another loan. And it apologised that this loan was offered to him. I think Barclays' response was an acknowledgement that it shouldn't have promoted the loan to Mr R in light of his vulnerability.

Here, Barclaycard wasn't offering a new credit facility to Mr R. It was promoting the use of his credit card account for a money transfer by offering the 0% interest rate. Mr R already had access to the account and could have made a money transfer at any time. But Barclaycard's offer gave him instant access to a substantial amount of cash at no immediate cost to him. On balance, I don't think he would have chosen to make a money transfer of £8,900 but for the promotion. So, I think the offer encouraged Mr R to borrow more on his credit card.

What I need to consider next is whether it was fair and reasonable for Barclaycard to offer Mr R the promotional rate. The terms and conditions of Mr R's account allow Barclaycard to do this. Barclaycard says it makes the promotions available to customers and wouldn't stop giving Mr R the option of accepting them, especially as he can benefit from them. It says that Mr R didn't have to act on the promotion. And that it made him fully aware of the implications of not repaying the balance before the expiry of the promotional rate. I've taken these points into account, but I think the offer ought to have been suppressed. I'll explain why.

I think that Barclaycard was, or ought to have been, aware of Mr R's vulnerability following the previous complaints. I haven't seen evidence as to exactly what material Barclays agreed to suppress following Complaints 1 and 2. But, I think Barclaycard ought to have known that an offer which encouraged more borrowing (in this case through spending on the account) could cause difficulties for Mr R. So I don't think it should have made the offer to him.

However, I'm looking at the situation impartially and I think there were steps Mr R could have taken himself to minimise the risk. For instance, following Complaint 2, he could have expressly asked for any credit card promotions to be suppressed. And he always had the option of telling Barclaycard to reduce his credit limit if he was concerned about potential spending on the account. I've taken these factors into account in reaching my decision.

Barclaycard says that the offer was beneficial to Mr R because it enabled him to consolidate his debts and reduce the interest he was paying on them. Mr R says he didn't use the money for debt consolidation, but I haven't seen any evidence either way. In any event, the borrowing didn't cost Mr R anything to begin with: the interest rate on the transfer was 0% for 18 months. But Mr R didn't pay it off within that time and interest was applied at the standard rate from November 2023 until it was stopped in May 2024. So, ultimately, the borrowing did have a cost for Mr R.

I now need to consider what would be the fair way to put things right for Mr R. Usually, I would expect a business to put its customer in the position they would be in if no error had taken place. But, here, Mr R received the funds from the money transfer some time ago and has used them. The situation has moved on significantly and it's not possible to simply undo what's happened. So I've thought about how to put things right in a way which is fair and reasonable in the circumstances.

Mr R says that the fair resolution would be for Barclaycard to write off all the funds advanced through the money transfer, together with related interest and fees. He says that he derived no benefit from the money provided; on the contrary, he says it significantly worsened his mental health and overall financial wellbeing. I'm grateful to Mr R for the information he's provided about this and I've carefully considered his comments. I'm sorry that he will be

disappointed by my decision, but I'm not going to ask Barclaycard to write off the funds advanced.

I don't think Mr R would have made a money transfer of £8,900 at that time but for the promotion. However, I can't say how he would have used the account over the same period. Mr R had access to credit of up to £10,000. And his statements show that he made multiple transactions on the card between October 2023 and April 2024 amounting to more than £4,000. These formed part of the outstanding balance at the time his account defaulted. Overall, I can't safely conclude that Mr R's account wouldn't have got into difficulty even without the money transfer. So I don't think it would be fair to ask Barclaycard to fully restore his financial position, as he's requested.

Looking at the situation impartially, I think it's fair that Mr R should be expected to repay what he borrowed through the money transfer. But I don't think he should have to pay interest or fees on it.

So, Barclaycard should refund all the interest applied to Mr R's account from November 2023 onwards which arises from the money transfer. Any such interest which Mr R has paid should be refunded to him. Any such interest which has been applied to the account but not yet paid should be removed and the account balance reworked.

Barclaycard should also refund the money transfer fee of £231.40 which it charged in May 2022. Again, if this has been paid by Mr R then it should be refunded to him. If it has been applied to the account but not yet paid, then it should be removed and the account balance reworked.

I don't think Barclaycard needs to amend Mr R's credit file. That's because he will still be responsible for paying the outstanding balance and it's fair for this to be reflected on his credit file so that future lenders can take it into account when deciding whether to lend.

Mr R has described the personal impact this situation had and I'm sorry to hear about that. I find that Barclaycard should have known not to promote borrowing to him. But, from the evidence I've seen, I don't think it knew the full details of his health condition or the effects of his treatment at the time. So I don't think it could have known how significantly he could be impacted by taking up the money transfer offer. Our awards aren't intended to punish a business but rather to try and put right so far as possible the impact which flows directly from its mistake. I think the redress I'm awarding does that.

Mr R has made some more general comments about his experience and highlighted issues which he says are flaws in the lending process, not just by Barclaycard but more generally. I have passed these comments on to Barclaycard. But I'm afraid I'm not going to make any findings on these points as it's not the role of this service to tell businesses what processes they should have in place. I empathise with Mr R's situation, but I'm only looking at the actions of Barclaycard here, to decide whether it acted fairly and reasonably in the circumstances of this particular complaint.

In conclusion, I think Barclaycard should refund the money transfer fee and interest on the money transfer. But I don't think it needs to do any more.

My final decision

For the reasons above I uphold this complaint. Barclays Bank UK PLC trading as Barclaycard should:

- refund to Mr R any interest he has paid which arises from the money transfer made

in May 2022;

- rework Mr R's account to remove any outstanding interest applied which arises from the money transfer made in May 2022; and
- refund to Mr R the money transfer fee of £231.40 if this has been paid by him or, if the fee remains outstanding, rework Mr R's account to remove the fee.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 19 December 2025.

Katy Kidd
Ombudsman