

The complaint

Mr W complains that Barclays Bank UK PLC trading as Barclaycard provided him with an unaffordable credit card and credit limit increases.

What happened

Barclaycard initially provided Mr W with a credit card in 2000. Details of the credit limits over the years are outlined in the table below:

| Date | Event | Credit limit |
|----------------|--|--------------|
| July 2000 | Original limit | £600 |
| August 2003 | 1 st credit limit increase | £1,100 |
| April 2004 | 2 nd credit limit increase | £1,800 |
| December 2004 | 3 rd credit limit increase | £2,450 |
| July 2007 | 4 th credit limit increase | £3,450 |
| March 2008 | 5 th credit limit increase | £5,350 |
| November 2008 | 6 th credit limit increase | £6,850 |
| November 2009 | <i>Credit limit decrease</i> | £5,950 |
| January 2015 | 7 th credit limit increase | £7,750 |
| September 2015 | 8 th credit limit increase | £9,250 |
| June 2016 | 9 th credit limit increase | £13,250 |
| May 2017 | 10 th credit limit increase | £16,250 |

In March 2025 Mr W complained to Barclaycard about unaffordable lending. He said reasonable checks before the credit limits were provided ought to have led to it identifying that these credit limits weren't affordable for him.

Barclaycard issued a final response in which it didn't uphold Mr W's complaint. In summary, it said its checks were reasonable and that it had made fair lending decisions. Unhappy with Barclaycard's response Mr W referred his complaint to our service for review.

One of our investigators looked at the details of this complaint and considered it was reasonable to interpret it to be about the fairness of Mr W's relationship with Barclaycard. As such, they went on to review the details of the complaint on this basis. Having done so, they didn't consider Barclaycard had acted unfairly or unreasonably in its lending decisions, or management of Mr W's account. So, they didn't uphold the complaint.

Barclaycard didn't respond to our investigator's view; Mr W responded and disagreed. In summary, Mr W maintained his position and said:

- Barclaycard's checks before providing these credit limits weren't reasonable to the terms of lending it was providing; and that it shouldn't have provided him with this credit card lending.
- Barclaycard isn't being transparent as it isn't providing our service with information dating back to 2000 in order for us to reasonably consider this complaint.
- A different financial business upheld an irresponsible lending complaint Mr W

referred to it; Mr W draws parallels between these complaints.

Mr W asked for an ombudsman's review, so the complaint 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.

The information in this case is well known to Mr W and Barclaycard, so I don't intend to repeat it in detail here. I'd like to assure both parties I've carefully reviewed everything available to me, even though I may not have commented on it, because I've focused my decision on what I consider to be the key points of this complaint. I don't mean to be discourteous to Mr W or Barclaycard by taking this approach, but this simply reflects the informal nature of our service.

I think it's helpful for me to set out that there are time limits for bringing a complaint to our service, and Barclaycard has said this complaint was referred to us late. Our investigator set out within their view why they didn't think we could look at a complaint about the lending events that Barclaycard made more than six years before the complaint was made; and that they considered Mr W had complained more than three years after he ought reasonably to have had an awareness of his cause for complaint.

But they also went on to explain why it was reasonable to interpret Mr W's complaint as being about an unfair relationship as described in section 140A (s.140) of the Consumer Credit Act 1974 (CCA); and why they therefore considered Mr W's complaint about an allegedly unfair lending relationship had been made to us in time. I agree with our investigator that I have the power to look at Mr W's complaint on this basis.

I acknowledge the detail Mr W has provided setting out why he considers his complaint was made within the regulatory timescales. This includes his testimony that he lost his job in 2000 and experienced financial difficulties. Mr W has said that at some point between 2004 and 2009 (he can't remember exactly when but believes it was at some point during this period) he complained to Barclaycard about unaffordable lending and asked for support with his repayments. Mr W says he didn't receive a response to his letter of complaint, and I note that both he and Barclaycard have said they have no further available information to provide our service. As such, while I don't doubt Mr W's testimony, based on the evidence available to me I'm not persuaded that Barclaycard was reasonably aware of Mr W's complaint.

This means I find that all of Barclaycard's lending decisions were made more than six years before Mr W made a complaint about unaffordable and irresponsible lending. I also consider Mr W had reasonable awareness of his cause for complaint more than three years before he made it in 2025. I say this as Mr W has told us that he lost his job in 2000, and that he was struggling to manage this account, and that he blamed Barclaycard for the problems with affordability.

Given Barclaycard went on to provide Mr W with credit limit increases I consider it reasonable that as Mr W had problems with the affordability of the existing credit limits, which were causing him a loss through the application of interest and possibly charges, that he ought reasonably to have been aware that further credit limit increases would only add to this problem – and that at least in part, as Mr W has indicated, it was Barclaycard causing this problem by providing him with further credit.

As the latest credit limit increase was provided in 2017, it follows that I consider at the latest Mr W's reasonable awareness of his cause for complaint started in May 2017. As such, Mr W's complaint hasn't been made within the three-year part of the rule.

I can still look into complaints made outside the time limits if I'm satisfied the failure to comply with them was due to exceptional circumstances. The *Dispute Resolution: Complaints* (DISP) rules I must follow don't define exceptional circumstances, but under DISP 2.8.4G provide an example as '*...where the complainant has been or is incapacitated.*' So, for exceptional circumstances to apply I must be persuaded that Mr W was prevented from engaging with Barclaycard to raise his complaint within the regulatory timescales.

Mr W has said Barclaycard's lack of transparency and lack of support when he complained to it at some point between 2004 and 2009 should constitute exceptional circumstances. As I've set out above, I've not been persuaded that Barclaycard was reasonable aware of Mr W's complaint; nor do I consider the circumstances he's set out to have prevented him from making his complaint within the regulatory timescales.

However, I'm satisfied Mr W's complaint can reasonably be considered as being about an unfair relationship; as he says Barclaycard provided him with lending which it ought reasonably to have identified was unaffordable, and that it therefore made unfair lending decisions.

The provision of this credit card and credit limit increases may have made the relationship unfair, as Mr W may have paid more in interest and charges than he could afford. I acknowledge Barclaycard doesn't agree we can look at any events more than six years before Mr W's complaint was made, but as I'm not upholding this complaint, I won't be commenting on this further.

In deciding what's fair and reasonable I'm required to take into account, amongst other matters, relevant law. As I consider Mr W's complaint is about the fairness of his relationship with Barclaycard, relevant law in this case includes s.140A-C of the CCA.

S.140A says a court may make an order under s.140B if it determines that the relationship between the creditor (in this case Barclaycard) and the debtor (Mr W), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement.
- the way in which the creditor has exercised or enforced any of his rights under the agreement.
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship. Barclaycard has confirmed the relationship is ongoing.

S.140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed or requiring a refund, or to do or not do any particular thing.

Given the details of Mr W's complaint, I need to consider whether Barclaycard's decision to lend to him, or other actions it may have taken, created an unfairness in the relationship between him and Barclaycard; and if it did, whether Barclaycard took reasonable steps to remove that unfairness.

We've set out our approach to complaints about irresponsible and unaffordable lending as well as the key rules, regulations and what we consider to be good industry practice on our website. I've taken this approach into account in deciding Mr W's case.

I would set out that the lending events complained of here span different periods of regulatory bodies, rules and obligations on Barclaycard. So, I've thought about each lending event while considering the relevant rules and regulations in place at the time of its decisions.

The original credit limit and credit limit increases up to and including November 2008

It's probably unsurprising that for these lending events the guidance in place was less prescriptive in terms of the level of checking and detail Barclaycard ought reasonably to have considered. Barclaycard, by way of Barclays, was a member of *The Banking Code*, a voluntary scheme entered into by a number of financial businesses. As such, the requirements on Barclaycard at the time of these lending events were to adhere to the guidance provided within this code. The code was amended multiple times however the guidance around lending across the period these lending events took place largely remained the same.

In terms of credit cards – *“Before we give you a credit limit, we will assess whether we feel you will be able to repay it.”*

And

In terms of lending generally – *“Before we lend you any money or increase your overdraft, or other borrowing, we will assess whether we feel you will be able to repay it.”*

Barclaycard hasn't been able to provide us with details of the checks it completed before each of these lending events, or how it reached its conclusions to lend. I don't consider that surprising or unreasonable, given the time that's passed since these events and the obligations on Barclaycard in terms of data retention.

However, that does mean I can't be satisfied what level of checking it conducted to reasonably satisfy itself that Mr W would be able to repay the lending being provided. Our investigator asked Mr W to provide us with his bank statements, so they could reasonably understand what Barclaycard's checks at the time would likely have shown it.

Mr W has been unable to provide us with bank statements dating back to the original credit limit and up to an including the third credit limit increase in December 2004, as his bank no longer hold these records.

In the absence of any information from around the time of these lending events, I can't reasonably conclude Barclaycard's lending decisions were unfair.

For the credit limit increases from July 2007 to November 2008 inclusive, Mr W has been able to provide us with bank statements. In the absence of any other contradictory information from the time, I consider these statements allow me to understand what Barclaycard's checks at the time would more likely have shown.

Having considered the statements, I'm not persuaded that Barclaycard's lending decisions were unfair. I say this as I can see Mr W was receiving regular credits which largely correlate with the details he's provided us about his employment at the time. I've seen some regular household expenditure debit his account, as well as some debits to existing lines of credit,

including this credit card. I do note that it appears Mr W largely makes payments to this Barclaycard in excess of the monthly minimum payments, given the credit card statements Barclaycard has provided our service. While I can understand why Mr W will have made increased monthly payments, I consider it would largely have been reasonable for Barclaycard to have based its assessments on a reasonable level of repayment, generally around the same level as the contractual monthly minimum payments.

I acknowledge Mr W provided us with additional statements after our investigator issued their view. While I've reviewed these statements, I've carefully considered the level of detail Barclaycard's checks reasonably needed to have consisted of at the time of these lending events, which may have simply required it to have obtained Mr W's declarations, for example, rather than verifying actual income and expenditure.

Taking into account the transactions and account management I've seen, as well as the guidance Barclaycard needed to have followed at the time of these lending events, I'm not persuaded it made unfair lending decisions.

The credit limit increases from January 2015 up to and including May 2017

By the time of Barclaycard's next credit limit increases it was required to follow the lending rules and regulations set out within the Consumer Credit Sourcebook – which was and is part of the Financial Conduct Authority's Handbook. These rules were more detailed in what an affordability or creditworthiness assessment needed to consist of. Although they weren't prescriptive in terms of what evidence a business needed to obtain in order to conduct checks, they did set out that they needed to be proportionate, taking into account but not limited to, the terms of lending being provided and what the business knew or ought to have identified about the borrower's financial circumstances at the time.

Barclaycard hasn't been able to provide us with detail of the checks it completed before the two lending events in 2015. As I've set out above, I don't consider that unreasonable given the time that's passed and the data retention obligations on it.

So, in the absence of any other contradictory information from these two lending events, I've again considered Mr W's bank statements to understand what proportionate checks would more likely than not have shown Barclaycard.

Mr W's bank statements show money crediting the account from a number of what appear to be different sources, including transfers from another account in Mr W's name. Mr W has provided us with another of his accounts for the periods leading up to these lending events. The multiple transactions do make it challenging to calculate Mr W's actual income each month; however, in the absence of any other conflicting information, I consider given what I've seen through Mr W's banks statements, that Barclaycard would more likely than not have identified through proportionate checks that these credit limit increases were affordable for him.

I say this because the bank account is largely being managed well. I acknowledge the balance is run in an overdraft position, but it largely appears the balance is being maintained within the agreed limit. The credits, non-discretionary expenditure and payments to existing credit do appear to show a tight financial situation, but I'm mindful that Mr W was largely making payments to his Barclaycard in excess of the contractual minimum, albeit modestly in some instances. However, this does positively impact the disposable figure Mr W would be left with each month.

Given the information I consider Barclaycard would more likely than not have reasonably identified through proportionate checks, I'm persuaded it would reasonably have considered

these credit limit increases were sustainably affordable for Mr W; so, it therefore follows that I consider it made fair lending decisions.

Barclaycard has provided us with the checks it completed and the data it considered when increasing Mr W's credit limit in 2016 and 2017. It has said it didn't identify any adverse information by way of bankruptcy, CCJs or defaults being reported, and that Mr W was managing his existing lines of credit relatively well.

While Barclaycard has provided us with the details it obtained from its credit check, it hasn't told us that it looked to understand Mr W's financial circumstances by way of his income and expenditure, which I consider would have been proportionate to the terms of lending it was providing.

In the absence of this information, I've again considered Mr W's bank statements in the lead up to these lending events. I've considered this against the credit file information Barclaycard obtained, and Mr W's existing management of his Barclaycard.

The bank statements again show the account is largely being well maintained. The evidenced credits, non-discretionary expenditure and payments to existing credit again show a relatively tight financial position. However, I've seen that Mr W was continuing to make monthly payments to his Barclaycard in excess of the contractual minimum, significantly so in the lead up to both of these credit limit increases in 2016 and 2017. This suggests Mr W had the disposable means to manage the credit card in this way.

Mr W was generally managing his credit card account well, with an average utilisation below 90% in the lead up to these lending events. The credit check Barclaycard completed showed around £6,500 external debt across revolving accounts in June 2016, and around £4,500 external debt across revolving accounts in May 2017. I note that Mr W's total revolving debt balance had decreased by the lending event in 2017; and the previously reported overdraft balance was no longer in place, which is supported by the bank statements I've reviewed.

Had Barclaycard completed proportionate checks at these lending events I consider it would more likely than not have identified the credit limits were sustainably affordable for Mr W; and I therefore don't consider its decisions to provide the credit limit increases to have been unreasonable.

Summary

Taking all the above into account I don't think Barclaycard acted unreasonably when it made these lending decisions. And I've not seen anything to persuade me that Barclaycard has otherwise treated Mr W unfairly throughout the relationship. I therefore haven't seen anything to suggest that s.140A would, given the facts of this complaint, lead to a different outcome here.

I accept Mr W has provided us with details of an unaffordable lending complaint about another lender which upheld his complaint, and which he has drawn parallels between the two complaints. I would set out to Mr W that each complaint I decide is considered on its individual details. So, while I understand why Mr W may have drawn parallels between the complaints, my decision here is reached taking into account the specific details relevant to this complaint.

I acknowledge my decision will likely be disappointing to Mr W. I am sorry to hear of the personal and financial circumstances he's told us about, which he's said started in 2000 and are ongoing. But for the reasons set out above, I don't consider Barclaycard has created an unfairness in its relationship with Mr W, so it follows I'm not directing it to take any further

action in resolution of this complaint.

I would, however, remind Barclaycard of the obligations on it in treating Mr W fairly and sympathetically during any engagement with him, and in any action and support it may provide Mr W relating to his financial situation.

My final decision

Your text here

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 16 February 2026.

Richard Turner
Ombudsman