

Complaint

Miss C has complained that Barclays Bank UK PLC (trading as “Barclaycard”) irresponsibly provided a credit card to her.

She says that she already had significant debts and that being provided with this card caused her difficulty going forward.

Background

Barclaycard initially provided Miss C with a credit card, which had a limit of £8,100.00, in August 2016. In September 2017, Barclaycard offered to increase Miss C’s limit to £9,600.00 before the credit limit was once again increased to £11,100.00 in May 2018.

In January 2025, Miss C complained saying that the credit card Barclaycard provided was unaffordable and caused her difficulty going forward. Barclaycard did not uphold Miss C’s complaint. As far as it was concerned Miss C had complained too late.

Miss C remained dissatisfied and chose to refer her complaint to our service as a result. When responding to our request for its file on Miss C’s complaint, Barclaycard reiterated that it believed Miss C had complained too late.

One of our investigators reviewed what Miss C and Barclaycard had told us.

She thought that she hadn’t seen enough to be persuaded that Barclaycard failed to act fairly and reasonably when providing Miss C with her credit card or the limit increases. So the investigator didn’t recommend that Miss C’s complaint be upheld.

Miss C disagreed with the investigator’s conclusions and asked for an ombudsman to look at her complaint.

My findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Basis for my consideration of this complaint

There are time limits for referring a complaint to the Financial Ombudsman Service. Barclaycard has argued that Miss C’s complaint was made too late because she complained more than six years after the decisions to provide the credit card and the credit limit increases as well as more than three years after she ought reasonably to have been aware of her cause to make this complaint.

Our investigator explained why it was reasonable to interpret the complaint as being one alleging that the relationship between her and Barclaycard was unfair to her as described in s140A of the Consumer Credit Act 1974 (“CCA”). She also explained why this complaint about an allegedly unfair lending relationship had been made in time.

Having carefully considered everything, I've decided not to uphold Miss C's complaint. Given the reasons for this, I'm satisfied that whether Miss C's complaint about the specific lending decisions was made in time or not has no impact on that outcome.

I'm also in agreement with the investigator that Miss C's complaint should be considered more broadly than just Barclaycard's decision to lend. I consider this to be the case as Miss C has not only complained about the decisions to lend but has also alleged that this unfairly caused her difficulty going forward because of the impact that it had on her credit file.

I'm therefore satisfied that Miss C's complaint can therefore reasonably be interpreted as a complaint about the fairness of her relationship with Barclaycard. I acknowledge Barclaycard may still disagree that we can look at Miss C's complaint, but given the outcome I have reached, I do not consider it necessary to make any further comment or reach any findings on these matters. This includes commenting on Miss C's arguments on why she believes that she complained in time.

In deciding what is fair and reasonable in all the circumstances of Miss C's case, I am required to take relevant law into account. As, for the reasons I've explained above, I'm satisfied that Miss C's complaint can be reasonably interpreted as being about the fairness of her relationship with Barclaycard, relevant law in this case includes s140A, s140B and s140C of the CCA.

S140A says that a court may make an order under s140B if it determines that the relationship between the creditor (Barclaycard) and the debtor (Miss C), 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. S140B 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 Miss C's complaint, I therefore need to think about whether Barclaycard's decision to lend to Miss C, or its later actions resulted in the lending relationship between Miss C and Barclaycard being unfair to Miss C, such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Miss C's relationship with Barclaycard is therefore likely to be unfair if it didn't carry out proportionate checks into Miss C's ability to repay what she could owe, in circumstances where doing so would have shown it that the credit card, or the limit increases, were unaffordable, or that it was irresponsible to lend. And if this was the case, Barclaycard didn't then somehow remove the unfairness this created.

Our typical approach to complaints about irresponsible and unaffordable lending

We've explained how we handle complaints about unaffordable and irresponsible lending on

our website. And I've used this approach to help me decide Miss C's complaint.

I think that it would be helpful for me to set out that we consider what a firm did to check whether any repayments to credit were affordable (asking it to evidence what it did) and then determine whether this was enough for the lender to have made a reasonable decision on whether to lend.

Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggested the lender needed to know more about a prospective borrower's ability to repay.

That said, I think that it is important for me to explain that our website does not provide a set list of mandated checks that a lender is expected to carry out on every occasion. Indeed, the requirements have not and still do not mandate a list of checks that a lender should use. Any rules, guidance and good industry practice in place over the years has simply set out the types of things that a lender could do when considering whether to lend to a prospective borrower.

It is for a lender to decide which checks it wishes to carry out, although we can form a view on whether we think what was done was fair to the extent it allowed the lender to reasonably understand whether the borrower could make their payments. Furthermore, if we don't think that the lender did enough to establish whether the repayments that a prospective borrower might have to make were affordable, this doesn't on its own mean that a complaint should be upheld.

We would usually only go on to uphold a complaint in circumstances where we were able to recreate what reasonable checks are likely to have shown – typically using information from the consumer – and this clearly shows that the repayments in question were unaffordable.

Application to Miss C's complaint – Was Barclaycard's decision to provide Miss C with the credit card and limit increases unfair?

Barclaycard says it initially agreed to Miss C's application after it obtained information on her income, which it validated against information from credit reference agencies on the amount of funds going into Miss C's main account and also carried out a credit search. And, in its view, the information obtained indicated that Miss C would be able to make the monthly repayments due for this credit card. For the limit increases, Barclaycard says that Miss C's repayment record and management of her account indicated that she could manage the increases.

On the other hand, Miss C says that the credit card was unaffordable and caused her difficulty going forward.

I've considered what the parties have said.

What's important to note is that Miss C was provided with a revolving credit facility rather than a loan. This means that to begin with Barclaycard was required to understand whether a credit limit of £8,100.00 could be repaid within a reasonable period of time, rather than all in one go. And a credit limit of £8,100.00 reasonably sized monthly payments in order to clear the full amount that could be owed within a reasonable period of time.

I understand that Barclaycard concluded that Miss C had an annual income of around £30,000.00. Furthermore, the credit search showed that while Miss C did have other accounts what she owed on them didn't mean that she couldn't afford this credit card. What's also important to note is that Miss C didn't have any significant adverse information recorded against her at this time either. Furthermore, while I appreciate that Miss C has said that she missed payments on some of her existing commitments, I can't see that Barclaycard was aware, or that it ought to have been aware, this was the case bearing in mind what the information on the credit check showed.

In these circumstances, bearing in mind that apparent stability of Miss C's finances and her validated income, I'm satisfied that the checks Barclaycard carried out in this instance were reasonable and proportionate. And as the information that Barclaycard suggested that the repayments were affordable for her, I'm satisfied that Barclaycard acted fairly and reasonably when initially providing the card to Miss C and therefore no unfairness was caused at this stage.

The limit increases on this credit card saw Miss C's credit limit firstly being increased to £9,600.00 in September 2017 and then £11,000.00 in June 2018. In considering whether it was fair and reasonable for Barclaycard to have offered these limit increases, I'm mindful that in the 21-month period between September 2016 (which was the month Miss C made her first payment on this account) and May 2018 (which was the month before Miss C was offered the final limit increase), Miss C made monthly payments that totalled almost £15,000.00.

Bearing in mind Miss C managed to make payments totalling this much in less than two years, it is extremely difficult for me to say that Miss C's repayment record in itself didn't suggest that she could repay £11,110.00 within a reasonable period of time. This is important as Barclaycard was entitled to rely on Miss C's repayment record on this account when deciding whether to increase her credit limit and a reasonable period of time for repaying £11,000.00 would typically be considered to be a standard term a fixed sum loan for this amount would be. So around four to five years.

In any event, I'm not persuaded that Barclaycard carrying out further checks would have led to it deciding against offering to increase Miss C's credit limit. I say this because at the absolute most, it could be argued that Barclaycard ought to have found out more about Miss C's actual living costs.

However, I can't see that Miss C's committed non-credit related expenditure meant that she wouldn't be able to make the repayments that she could have had to make had she used the extra credit offered. Equally, I also have to consider this in the context that the credit searches didn't show that Miss C's other credit was increasing exponentially either.

In reaching my conclusions, I've also noted that Miss C has said that she wasn't provided with any help when she wanted to prevent further spending on the credit card. In order to consider this matter, I've reviewed Miss C's account history.

I don't know what, if any, discussions Miss C had with Barclaycard in terms of curbing her use of this credit card and if so when this was. However, it looks like Barclaycard took steps to reduce Miss C's credit limit to £10,000.00 in July 2019 before the limit was then reduced to £3,000.00 in October 2022. Given the drastic limit reductions that took place, it's difficult for me to say that Barclaycard didn't respond to Miss C's account usage, or leave her in a position where she wasn't able to reduce her credit limit.

It's possible that Miss C may have asked to decrease her limit even further and Barclaycard did not agree to do this. But given further reductions had the potential to leave Miss C over her limit and this would have had a significant adverse impact on her credit file, I don't think that any such action from Barclaycard would have been unfair or unreasonable.

Finally, I've also considered what Miss C has said about Barclaycard telling her that she'd been irresponsibly lent to in December 2021. In the first instance, I've noted that neither Miss C nor Barclaycard have been able to provide me with a copy of the letter that Miss C was sent in December 2021.

Nonetheless, as I've been able to see that an interest refund was applied to Miss C's account and I know that Barclaycard was carrying out remediation exercises around this time, I do think it's likely that some kind of remediation took place on Miss C's account.

Having looked at the amount of the interest refund, Miss C's limit history and her account balances, I suspect that Barclaycard felt that it may not have been appropriate to have increased Miss C's limit from £9,600.00 to £11,100.00 in June 2018 and it refunded the interest Miss C paid on any balances that she had on balances over £9,600.00 as a result of this. I can't say that I'm certain that this is what happened but given Miss C didn't have balances over £9,600.00 for very long and the amount of the interest refund, I think this is what's most likely to be the case.

In any event and more importantly, irrespective of the reason for interest refund, I need to reach my own conclusion on whether I think it was fair and reasonable for Barclaycard to have lent to Miss C in the way that it did. And it doesn't automatically follow that Barclaycard should refund all of the interest that Miss C has paid since she was provided with her credit card in August 2016, simply because it proactively decided to refund some of the interest it added, in December 2021.

Furthermore, I've already explained why I think that the information Barclaycard gathered as well as Miss C's repayment record in the period from when the card was opened to when her limit was increased in June 2018, meant that it was reasonable for Barclaycard to accept Miss C's application for her credit card and offer her the limit increases that it did. As this is the case, I'm not persuaded that Barclaycard's interest refund in December 2021, or the content of any accompanying letter means that Miss C's complaint should now be upheld.

Overall, and based on the available evidence I don't find that Miss C's relationship with Barclaycard was unfair. I've not been persuaded that Barclaycard created unfairness in its relationship with Miss C by irresponsibly lending to her whether when initially agreeing to provide her with a credit card or offering her the limit increases that it did. I don't find Barclaycard treated Miss C unfairly in any other way either based on what I've seen either.

So overall and having considered everything, while I can understand Miss C's sentiments and sympathise with the very difficult time that she has been through, I'm nonetheless not upholding this complaint. I appreciate this will be very disappointing for Miss C. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 6 February 2026.

Jeshen Narayanan
Ombudsman