

The complaint

Mr K complains that Barclays Bank UK plc trading as Barclaycard ('Barclaycard') reduced his credit card limit without notice, explanation or regard for his personal circumstances. He's unhappy his account was then closed.

Mr K seeks compensation for his distress and inconvenience.

What happened

Mr K had a period of ill health in the summer of 2025 and fell behind with his credit card payments. He kept Barclaycard informed and repaid his full credit card balance on 29 August 2025. Despite this, Barclaycard reduced Mr K's credit limit significantly and then closed his account.

Mr K complained. Barclaycard admitted they'd not handled Mr K's complaint well and paid him £75 compensation. Barclaycard undertook a review of their credit limit decision and explained why they wouldn't increase this. They also explained why they'd decided to close Mr K's account.

Mr K asked the Financial Ombudsman Service to investigate. Our investigator sought further information from Barclaycard, but didn't recommend they take further action.

Mr K sought an ombudsman's decision. Mr K said he was reassured by Barclaycard that his repayment would positively affect his account. He didn't think Barclaycard had treated him fairly when he was vulnerable.

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 taken into account any relevant law and regulations, the regulator's rules, guidance and standards, codes of practice and (where appropriate) what is considered to have been good industry practice at the relevant time.

Having done so, I don't think Barclaycard need to take any action. I'll explain why, though I broadly agree with our investigator.

I am aware of Mr K's frustrations, but I don't have the power to look into complaints about complaints handling. I'll focus on the complaint about the financial product or service being provided.

The Financial Ombudsman Service doesn't have the power to make rules for financial businesses, in terms of directing that they should change their policies or procedures. That is the role of the regulator, the Financial Conduct Authority ('FCA'). This means I can't interfere with Barclaycard's lending decisions or their appetite for risk.

I am satisfied Barclaycard's terms and conditions allow them to set, review and change Mr K's credit limit. And they can also close Mr K's account.

I wouldn't expect Barclaycard to give Mr K advance notice of a credit limit reduction. Typically lenders won't give notice so as to avoid sudden spending. Barclaycard gave Mr K two days' notice which I think was fair in his circumstances.

I wouldn't expect Barclaycard to give full reasons for the credit limit decrease as this is commercially sensitive information. I think Barclaycard fairly explained what they'd considered and that although Mr K had paid off his balance, they were looking at Mr K's whole account history.

I was pleased to see Barclaycard undertook a manual review of their decision. I think this was particularly important given Mr K's credit file was amended, so it was fair for Barclaycard to reassess their decision against the new information. Unfortunately, this didn't lead to a change of outcome for Mr K, but a human was able to verify the decision was made correctly.

Mr K said he'd been misadvised a repayment would have a positive impact on his account, when this wasn't the case. So I've reviewed Mr K's account notes and the calls that took place around the time he repaid his balance on 29 August 2025.

I've obtained and read the transcript of the call on 1 September 2025. As this call came after the payment, I can't say the information in the call encouraged Mr K to pay more than he otherwise would have done.

Looking further back, I can't see evidence of Mr K being misadvised about the future of his account. The account notes record a promise to pay, an explanation for missing a planned payment, and an income and expenditure assessment.

I haven't been sent the call transcripts for July 2025, or mid-August 2025. But even if Barclaycard did say payments would positively affect Mr K's account, I don't agree this is misinformation. Payments would typically be a positive factor.

The important thing here is that Mr K's payment was considered. Barclaycard acknowledged in their final response letter that they'd considered the full balance payment when making and reviewing their decision to reduce Mr K's credit limit.

And in the call on 1 September 2025 Barclaycard advised they'd got the payment. They said Mr K's account was due to be reviewed and might still be closed following a period of persistent debt. Mr K was later given notice of his account closure.

I recognise Mr K didn't feel well supported by the reduction in credit limit and the closure of his account, but I don't think Mr K's vulnerability means he is exempt from Barclaycard's decisions. I think Barclaycard can show they've followed the FCA's guidance for firms about how they engage with vulnerable consumers.

I say this because Barclaycard first made a note of Mr K's personal circumstances in 2024, and kept notes of Mr K's updated circumstances. Barclaycard undertook a financial assessment to better understand Mr K's situation and provided forbearance. And, although I recognise Mr K remains unhappy, I think Barclaycard fairly engaged with Mr K about their decisions.

I am sorry that this isn't the outcome Mr K was hoping for, but I think Barclaycard have treated Mr K fairly in the circumstances of his complaint. This means I won't ask them to take action on this occasion.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 February 2026.

Clare Burgess-Cade
Ombudsman