

## **The complaint**

Mr H complains that Barclays Bank UK PLC trading as Barclaycard reduced the credit limit on his credit card account.

## **What happened**

In July 2025, Mr H attempted to make a small purchase using his Barclaycard, which was declined. Later the same day, he received a text message from Barclaycard stating that his credit limit had been reduced – from £11,500 to £300. Mr H says he wasn't given any prior warning.

Mr H later found out that his identity had been stolen, and someone had opened an account in his name with a different firm. Mr H says this negatively impacted his credit file. Even though Barclaycard were aware that the negative information being reported on his credit file was as a result of stolen identity, it refused to reinstate his credit limit. It also said it wouldn't consider reinstatement until the information from his credit file had been removed.

Mr H remains unhappy with Barclaycard's actions. Particularly because he has been able to renew his mortgage with Barclays during this same time period.

An Investigator considered the information provided by both parties, but they didn't uphold Mr H's complaint. They explained that it was up to Barclaycard to decide the amount of credit it was willing to provide; and they aren't able to tell Barclaycard to increase the limit.

Mr H didn't agree with the Investigator's view. In summary, he felt that Barclaycard hadn't treated him fairly as a victim of fraud. He also didn't understand why Barclaycard had placed a note on his account stating that the credit limit couldn't be reviewed for a period of 4-6 months.

Because an agreement couldn't be reached, the complaint has been passed to me to decide on the matter.

## **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'm sorry to have read about Mr H being the victim of identity fraud. I appreciate these situations can be very distressing and require a lot of effort to rectify. But being impartial means, I must take a step back and consider what both parties have said. And in doing so, I haven't found that Barclaycard has done anything wrong in this case, and I'll explain why below.

Before I do that, I want to make it clear that I have read and taken into account all of the information provided by both parties, in reaching my decision. If I've not reflected something that's been said it's not because I didn't see it, it's because I didn't deem it relevant to the crux of the complaint. This isn't intended as a discourtesy to either party, but merely to

reflect my informal role in deciding what a fair and reasonable outcome is. This also means I don't think it's necessary to get an answer, or provide my own answer, to every question raised unless I think it's relevant to the crux of the complaint.

Barclaycard explained in its final response to Mr H that it reduced his credit limit due to adverse information showing on his credit file. And because of this, it is difficult for me to be able to find that Barclaycard did anything wrong when it took the decision to decrease Mr H's credit limit. I understand that the information on Mr H's credit report might have come about as a result of identity fraud, but I wouldn't have expected Barclaycard to have been aware of this at the time it made the decision. And in any event, it isn't unreasonable that adverse information showing on his credit file would be cause for Barclaycard to reconsider the amount of credit it was prepared to provide Mr H with.

In addition to what I've said here, while I understand that Mr H had let Barclaycard know about the identity fraud after the credit limit decrease, I wouldn't have expected Barclaycard to simply reinstate the credit limit while the information was still being reported on his credit file. It is ultimately up to Barclaycard to decide what risk it is prepared to take when lending to someone, and so I can understand why it wouldn't consider reinstating the credit limit while there was adverse information still being reported on his credit file.

So, I'm not of the view that Barclaycard did anything wrong when it took the decision to decrease Mr H's credit limit; or refuse to reinstate it while the issue with the identity fraud was still ongoing.

As I understand it, Mr H says that his credit record was rectified by September 2025; but despite this, Barclaycard still refused to increase his credit limit. In addition to this, he says that there is a note on his account stating that it wouldn't reconsider his request to increase his credit limit within a four-to-six-month period; and he hadn't been made aware of this.

As I've explained, it is ultimately up to Barclaycard to decide whether or not to lend to someone; and how much it is prepared to lend. Barclaycard has said that it has carried out a manual review of Mr H's credit limit following the removal information previously being reported on his credit file. As part of the review, it said it checked affordability, credit reference agency data and account behaviour. However, it explained that due to information on Mr H's credit file, it has taken the decision not to increase his limit. I don't think this is unreasonable in the circumstances; as Barclaycard are required to make a lending decision that is fair and reasonable, and I wouldn't expect it to extend credit to someone where it had concerns.

I note that Mr H has referred to Consumer Duty, in that Barclaycard may not have delivered him a fair outcome following the identity fraud; nor did its process allow for him to achieve his financial objective. I am satisfied that Barclaycard fairly considered Mr H's request to increase his credit limit following the fraud, which is what I would have expected it to do. While I accept that the decrease in limit may have come around as a result of something outside of Mr H's control; Barclaycard are still required to carry out the appropriate checks before reinstating the limit, and it's decided not to do that on this occasion. While I can understand why this would be frustrating and disappointing for Mr H; I haven't seen anything to suggest that Barclaycard has acted unfairly or unreasonably. I would also expect for Barclaycard to have provided Mr H with the main reason it decided not to increase his credit limit, so that Mr H could achieve his financial objective in the future. I can see that Barclaycard has since explained to this service that it won't increase the limit due to information on his credit file; I'm satisfied that this is enough for Barclaycard to have fulfilled its obligations under Consumer Duty.

Barclaycard has explained that it is part of its policy for ask its customers to wait four to six months before reapplying for a credit limit increase; this doesn't just apply for Mr H, but all of its customers requesting limit increases. It isn't uncommon for firms to have a policy about how long someone should wait before requesting a change to a credit limit, or applying for credit – this can be for a number of reasons, but often to allow enough time for someone's situation to change before reconsidering, and also to limit the impact that hard searches can have on someone's credit file. I'm not persuaded that the note on file has affected Mr H's application to have his credit limit increased; I say this because Barclaycard has explained that it manually reviewed the account and still declined to increase his limit, for the reasons I've already explained. I'm satisfied that it has fairly considered Mr H's request for his limit to be reinstated.

Overall, while I know this will be disappointing for Mr H, I haven't seen anything to suggest that Barclaycard has treated him unfairly.

### **My final decision**

For the reasons set out above, I don't uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 22 May 2026.

Sophie Wilkinson  
**Ombudsman**