

Complaint

Mrs B has complained that Barclays Bank UK PLC (trading as “Barclaycard”) irresponsibly provided a credit card as well and subsequent credit limit increases to her. She says that the credit card and limit increases were unaffordable and caused her continued financial difficulty as she struggled to make her payments, which affected her going forward.

Background

In November 2015, Barclaycard provided Mrs B with a credit card, which had a limit of £1,500.00. Barclaycard subsequently offered limit increases to £1,200.00 in November 2016 and £1,800.00 in August 2017.

In May 2025, Mrs B complained saying that the credit card and the limit increases Barclaycard provided were unaffordable and caused her continued financial difficulty as she struggled to make her payments which affected her going forward.

Barclaycard didn't uphold Mrs B's complaint as it believed that she had complained too late. Mrs B remained dissatisfied after Barclaycard's response and referred her complaint to our service.

One of our investigators reviewed what Mrs B and Barclaycard had told us. She thought that he hadn't seen enough to be persuaded that Barclaycard failed to act fairly and reasonably either when initially providing Mrs B with her credit card, or the credit limit increases it did. This meant that the investigator didn't recommend that Mrs B's complaint be upheld.

Mrs B 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 Mrs B'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 Mrs B's complaint. Given the reasons for this, I'm satisfied that whether Mrs B'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 Mrs B's complaint should be considered more broadly than just those lending decisions. I consider this to be the case as Mrs B has not only complained about the respective decisions to lend but has also alleged that the repayments unfairly caused her continued financial difficulty as she struggled to make her payments which affected her going forward.

I'm therefore satisfied that Mrs B's complaint can therefore reasonably be interpreted as a complaint about the fairness of her relationship with Barclaycard. I acknowledge Barclaycard still doesn't agree we can look at Mrs B'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 considering Mrs B's submissions on why she believes that her complaint was made in time.

In deciding what is fair and reasonable in all the circumstances of Mrs B's case, I am required to take relevant law into account. As, for the reasons I've explained above, I'm satisfied that Mrs B'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 (Mrs B), 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 Mrs B's complaint, I therefore need to think about whether Barclaycard's decision to lend to Mrs B and increase her credit limits, or its later actions resulted in the lending relationship between Mrs B and Barclaycard being unfair to Mrs B, such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Mrs B's relationship with Barclaycard is therefore likely to be unfair if it didn't carry out reasonable enquiries into Mrs B's ability to repay in circumstances where doing so would have revealed the credit card or limit increases to be irresponsible or unaffordable. And if this was the case, Barclaycard didn't then remove the unfairness this created somehow.

I've considered Mrs B's complaint in this context.

Our approach to irresponsible and unaffordable lending complaints

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 Mrs B's complaint.

Bearing in mind Mrs B's response to our investigator, 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's for a lender to decide the checks it wishes to carry out, although we can form a view on if 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 think that the lender didn't do enough to establish whether the repayments a prospective borrower might have to make were affordable, this doesn't on its own mean 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.

Were the decisions to provide the credit card and subsequent credit limit increases unfair?

Barclaycard says it initially agreed to Mrs B's application after it obtained information on her income and carried out a credit search. And the information obtained indicated that Mrs B would be able to make the monthly repayments due for this credit card. Due to Mrs B's account being relatively well managed and the information present on the credit checks it carried out, Mrs B was then subsequently offered her credit limit increases.

On the other hand, Mrs B says that the credit card and the subsequent limit increases were unaffordable and caused ongoing hardship.

I've considered what the parties have said.

Barclaycard's initial decision to accept Mrs B's application

What's important to note is that Mrs B was provided with a revolving credit facility rather than a loan. This means that to start with Barclaycard was required to understand whether Mrs B could repay £800 within a reasonable period of time. It's fair to say that the required monthly payments in order to clear the full amount that could be owed, as a result of a credit limit of £800 are low.

I've seen records of the information Barclaycard obtained from Mrs B about her income and what was on the credit search carried out. The credit search showed that Mrs B didn't have any significant adverse information - such as defaulted accounts or county court judgments recorded against her at either of these times. Barclaycard also says that Mrs B declared she had an annual income of £26,000.00 a year.

Barclaycard argues that the information that Mrs B declared on her income combined with the credit file information meant that it was reasonable to conclude that Mrs B could afford this credit card. Having reviewed the information obtained and bearing in mind the low monthly repayment required to clear a balance of £800 within a reasonable period of time, I'm in agreement with this conclusion.

As this is the case, I'm satisfied that it wasn't unfair for Barclaycard to offer Mrs B a credit card with a limit of £800 in November 2015 and therefore there was no unfairness created at this stage.

The limit increases

As I've explained in the background section of this decision, Barclaycard went on to increase Mrs B's credit limit on two occasions. It increased Mrs B's credit limit to £1,200.00 in November 2017 and then £1,800.00 in August 2017.

In considering whether it was fair and reasonable for Barclaycard to have offered these limit increases, I'm mindful that in the 17-month period between March 2016 (which was the month Mrs B made her first payment on this account) and July 2017 (which was the month before Mrs B was offered the limit increase), Mrs B made monthly payments totalling more than £700.

Bearing in mind Mrs B managed to make payments totalling this much in this period, it is extremely difficult for me to say that Mrs B's repayment record in itself didn't suggest that she could repay £1,800.00 within a reasonable period of time. After all, she was regularly paying in excess of the minimum payment. This is important as Barclaycard was entitled to rely on Mrs B's repayment record on this account when deciding whether to increase her credit limit.

Furthermore, the credit checks Barclaycard also carried out didn't show that her borrowing elsewhere was increasing exponentially either. If anything the searches showed that the amount Mrs B owed elsewhere had actually reduced in the period since she'd been provided with this card. So the information Barclaycard had does suggest that this credit card was affordable for Mrs B.

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

So having considered everything, while I can understand Mrs B's sentiments and sympathise with the difficult time that she has been through, I'm nonetheless not upholding this complaint. I appreciate this will be very disappointing for Mrs B. 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 Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 30 April 2026.

Jeshen Narayanan
Ombudsman