

Complaint

Mr W has complained about a credit card Barclaycard Bank Limited (“Barclaycard”) provided to him. He says that the credit card and the subsequent limit increases were unaffordable for him and this resulted in ongoing difficulties.

Background

Barclaycard provided Mr W with a credit card with an initial limit of £800 in May 2016. Mr W’s credit limit was increased on two occasions on the following dates:

March 2017 – limit increased to £1,200.00

September 2017 – limit increased to £1,600.00

In February 2025, Mr W complained saying that the credit card and the limit increases Barclaycard provided to him were unaffordable and caused him continued financial difficulty as this resulted in ongoing financial difficulty.

Barclaycard did not uphold Mr W’s complaint. It believed that Mr W had complained too late. Mr W remained dissatisfied and referred his complaint to our service. When responding to our request for its file on Mr W’s complaint, Barclaycard reiterated its belief that Mr W had complained too late.

One of our investigators reviewed what Mr W and Barclaycard had told us. And she thought Barclaycard hadn’t done anything wrong or treated Mr W unfairly in relation to providing the credit card or increasing Mr W’s credit limit on the occasions that it did. So she didn’t recommend that Mr W’s complaint be upheld.

Mr W disagreed and asked for an ombudsman to look at the 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 Mr W’s complaint about the initial decision to provide the card and the first limit increase was made too late because he complained more than six years after these lending decisions; as well as more than three years after he ought reasonably to have been aware of his cause to make this complaint.

Our investigator explained why it was reasonable to interpret Mr W’s complaint as being one alleging that the relationship between him and Barclaycard was unfair to him as described in s140A of the Consumer Credit Act 1974 (“CCA”). He 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 Mr W's complaint. Given the reasons for this, I'm satisfied that whether Mr W'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 Mr W's complaint should be considered more broadly than just the lending decisions. I consider this to be the case as Mr W has not only complained not about the respective decisions to lend but has also alleged that this unfairly impacted upon his financial position moving forward.

I'm therefore satisfied that Mr W's complaint can therefore reasonably be interpreted as a complaint about the overall fairness of the lending relationship between him and Barclaycard. I acknowledge Barclaycard may not agree that we can look at parts of Mr W's complaint, but given the outcome I have reached, I do not consider it necessary for me to make any further comment, or reach any findings on these matters. This includes Mr W's arguments on why he thinks his complaint was made in time.

In deciding what is fair and reasonable in all the circumstances of Mr W's case, I am required to take relevant law into account. As, for the reasons I've explained above, I'm satisfied that Mr W's complaint can be reasonably interpreted as being about the fairness of the lending relationship between him and 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 (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. 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 Mr W's complaint, I therefore need to think about whether Barclaycard's decision to initially lend to Mr W, increase his credit limit on the occasions it did, or its later actions resulted in the lending relationship between Mr W and Barclaycard being unfair to Mr W, such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Our approach to unaffordable and irresponsible 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 Mr W's complaint.

Barclaycard needed to make sure it didn't lend irresponsibly. In practice, what this means is Barclaycard needed to carry out proportionate checks to be able to understand whether Mr W could afford to repay any credit it provided.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. 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 it – 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 or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we'd expect a lender to be able to show that it didn't continue to lend to a customer irresponsibly.

Mr W's relationship with Barclaycard is therefore likely to be unfair if it didn't carry out reasonable and proportionate checks into Mr W's ability to make his repayments in circumstances where doing so would have revealed the credit card or the limit increases to be unaffordable, or that it was irresponsible to lend. And if this was the case, Barclaycard then didn't somehow then remove the unfairness this created.

I've considered Mr W's complaint in this context.

The parties' arguments

Barclaycard says it initially agreed to Mr W's application after it obtained information on his income and carried out a credit search. And the information obtained indicated that Mr W would be able to make the low monthly repayment due on this credit card. It says similar checks were carried out before Mr W's credit limit was increased on the occasions that it was and these checks also showed the limit increases to be affordable.

On the other hand, Mr W says that credit card and limit increases were unaffordable and that they caused him ongoing financial difficulty as a result.

Barclaycard's initial decision to offer Mr W a credit card

I've considered what the parties have said.

What's important to note is that Mr W was provided with a revolving credit facility rather than a loan. And this means that to begin with Barclaycard was required to understand whether a credit limit of £800 could be repaid within a reasonable period of time, rather than in one go. It's fair to say that a credit limit of £800 required low monthly payments in order to clear the full amount that could be owed within a reasonable period of time.

I've seen the output of Barclaycard's credit search. The credit search showed that Mr W didn't have any significant adverse information – such as defaulted accounts or county court judgments ("CCJ") – recorded against him. The credit search also showed that Mr W had some active credit at this stage. But the total amount owed was low and Mr W's existing credit was being relatively well maintained. So when Mr W says that he had a high debt-to-income ratio, I don't think that the credit check suggested that this was the case.

For the sake of completeness, I would also add that even if Barclaycard was aware that Mr W had previously taken out payday loans, this doesn't mean that he shouldn't have been lent to. Indeed, there isn't a prohibition on a lender providing credit to a prospective borrower that may have used payday type lending. This is especially in circumstances where the total amount a customer owed is low, like in was when Mr W applied for this credit card.

It's unclear whether Barclaycard did check Mr W's income at this time. However, having reviewed the information Mr W has provided now, I'm satisfied that this his income at the

time together with his low amount of existing debt meant that a credit limit of £800 was affordable for him.

As this is the case, I'm satisfied that it was unfair for Barclaycard to offer Mr W a credit card with a limit of £800 and therefore there was no unfairness created at this stage.

The credit limit increases Barclaycard offered to Mr W

As I've explained in the background section of this decision, Barclaycard increased Mr W's credit limit on two occasions. It firstly increased Mr W's credit limit to £1,200.00 in March 2017, before offering to increase the credit limit to £1,600.00 in September 2017.

In considering whether it was fair and reasonable for Barclaycard to have offered the limit increases, I'm mindful that in the 10-month period between November 2016 (which was the month Mr W made his first repayment on this account) and August 2017 (which was the month before Mr W was offered the second limit increase), Mr W made monthly payments that totalled over £2,500.00.

Bearing in mind Mr W managed to make payments totalling this much in less than a year, it is extremely difficult for me to say that Mr W's repayment record in itself didn't suggest that he could repay £1,200.00 and then £1,600.00 within a reasonable period of time. After all, there is a strong argument for saying that he'd already proven himself able to do so. This is important as Barclaycard was entitled to rely on Mr W's repayment record on this account when deciding whether to increase his credit limit.

Even if I were to accept that Mr W may also have had other credit commitments elsewhere during this time, I think it would be fair to say that his unsecured lending did not grow by the same amount in this time. Equally, as Mr B was making payments far in excess of what he was contractually obliged to, I'm not persuaded that he was forced into borrowing elsewhere, in order to meet the commitments that he had to make on this card, at least during this period.

With this in mind, Mr W's repayment record in itself suggested that Barclaycard was reasonably entitled to believe that Mr W could afford the limit increases. So this isn't a case where I can reasonably say that the limit increases and Mr W's account usage ought reasonably to have shown Barclaycard that Mr W's indebtedness, on his credit card, was rapidly increasing in an uncontrollable way, or that the pattern of lending here ought reasonably to have led Barclaycard to conclude that the credit card had become demonstrably unsustainable for Mr W either.

I've noted what Mr W has said about the persistent debt letters that he subsequently went on to receive on this credit card. However, this information was sent as a result of Mr W's use of his credit card after the limit increases were provided. I don't see how Barclaycard could have known that Mr W would receive these communications when it offered to increase his credit limit in March 2017 and September 2017. Particularly as the monthly payments Mr W was making prior to the limit increase were more than sufficient to ensure that he wouldn't enter persistent debt. So I don't agree with Mr W when he says that information is material, or that it means that he shouldn't have been offered his limit increases.

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

So overall and having considered everything, while I can understand Mr W's sentiments and appreciate why he is unhappy, I'm nonetheless not upholding this complaint. I appreciate this will be very disappointing for Mr W. But I hope he'll understand the reasons for my decision and that he'll at least feel his concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 13 April 2026.

Jeshen Narayanan
Ombudsman