

The complaint

Mr M complains that Barclays Bank UK PLC trading as Barclaycard lent to him irresponsibly.

What happened

Mr M opened a credit card with Barclaycard. The credit limits agreed were as follows:

Date	Event	Limit
December 2016	Opening limit	£5,000
October 2018	Credit limit increase (CLI)1	£12,800
January 2020	CLI2	£13,800

On 31 July 2025, Mr M complained to Barclaycard. He said he felt it should not have given him the credit card or increased the credit limit. He requested a refund of the charges and interest he'd paid on the account.

Barclaycard looked into the complaint and issued a final response letter. It said it was satisfied it had carried out *"the correct affordability checks"* on each occasion and stood by its lending decisions. It didn't uphold the complaint.

Mr M was unhappy with Barclaycard's response so he referred his complaint to our service. When he did so, he said he was content with the account opening and initial limit, but felt the CLI's had been unaffordable for him. Barclaycard said that CLI1 was outside our jurisdiction as the complaint had been brought too late under the rules set by the Financial Conduct Authority (FCA) as more than six years had passed since the lending decision.

One of our investigators looked into the complaint. She felt it could reasonably be considered as being about an unfair credit relationship as described in Section 140A of the Consumer Credit Act 1974 (s.140). On that basis she said we could look at each CLI and went on to do so. However, she didn't uphold the complaint.

Mr M didn't agree with our investigator and asked that his *"complaint regarding Barclaycard's credit limit increase in January 2020 be escalated"*. So the complaint has been passed to me for a decision.

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.

In line with his request, I intend to focus my decision on the increase given to Mr M in January 2020 – that is CLI2. As this took place within six years of Mr M raising his complaint, there is also no dispute regarding time limits and our jurisdiction over it. For completeness, I agree with our investigator's view regarding CLI1 so I will not comment on it further.

We've set out our approach to complaints about irresponsible and unaffordable lending on our website – including the key relevant rules, guidance, good industry practice and law. I've considered this approach when deciding this complaint.

Barclaycard needed to carry out reasonable and proportionate checks to ensure that it didn't lend to Mr M irresponsibly. I think there are key questions I need to consider in order to decide what is fair and reasonable in the circumstances of this complaint:

- Did Barclaycard carry out reasonable and proportionate checks to satisfy itself that Mr M was in a position to sustainably meet the repayments?
- If not, what would reasonable and proportionate checks have shown at the time?
- Did Barclaycard make a fair lending decision?
- Did Barclaycard act unfairly or unreasonably towards Mr M in some other way?

Barclaycard had to carry out reasonable and proportionate checks to satisfy itself that Mr M would be able to repay the credit sustainably. It's not about it assessing the likelihood of it being repaid, but it had to consider the impact of the repayments on him. There's no set list of checks it had to do, but it could take into account several things such as the amount and length of the credit, the amount of the repayments and the borrowers' overall circumstances.

Barclaycard says that before offering CLI2 to Mr M, it checked his credit file and there were no signs he was struggling financially. It carried out an affordability assessment having verified his income electronically. It was also able to see the performance of his existing account.

Mr M's credit file showed he had no credit elsewhere and no defaults or County Court Judgements (CCJ). His balance on the account at the time was less than £7,000 against a £12,800 limit, and he was up to date with his repayments. He routinely paid more than double (and up to four times) the minimum payment required. So there was no sign of pressure on his existing account.

But Barclaycard hasn't provided details of the affordability assessment it says it carried out. I can't therefore say that the check carried out was reasonable and proportionate.

While there's no set way of carrying out an affordability assessment, one way of doing so would be to look at a consumer's bank statements for a period of time prior to the lending decision. In this case, Mr M has been able to provide his statements for three months prior to CLI2. Our investigator has gone into a lot of detail in her assessment of the complaint and that is known to both parties; I don't propose to go into so much detail here, but I agree with her findings.

The statements show Mr M was earning around £2,720 and he had essential expenditure of £1,010. This left a monthly disposable income in the region of £1,700.

So I'm satisfied that if Barclaycard had looked at Mr M's statements or calculated his ability to repay the new limit in some other way, it would still have reached the same decision to lend to him. It follows that I think Barclaycard reached a fair decision to lend to Mr M.

Did Barclaycard act unfairly or unreasonably towards Mr M in some other way?

I've carefully read and considered all the information provided by both parties to this complaint. I've not seen any signs that Mr M contacted Barclaycard for help or to let it know he was struggling with his repayments at any stage. I don't think Barclaycard has treated him unfairly in some other way.

For the reasons I've already given, I don't think Barclaycard lent irresponsibly to Mr M or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 29 April 2026.

Richard Hale
Ombudsman