

The complaint

Miss B complains that Barclays Bank UK PLC trading as Barclaycard irresponsibly lent to her.

What happened

Miss B was approved for a Barclaycard in May 2025, with a £5,000 credit limit. Miss B says this was irresponsibly lent to her. Miss B made a complaint to Barclaycard, and she wanted the balance to be written off. Barclaycard partially upheld Miss B's complaint. They said they would refund fees/interest/charges, use this money to reduce the outstanding balance, and they would amend her credit file with the negative information once the balance was repaid in full. Miss B brought her complaint to our service.

When providing their business file to our service, Barclaycard informed us of a mistake with the redress, which resulted in 20p less being paid. They said they would offer Miss B £100 for distress and inconvenience and also pay the 20p off the balance that they should have paid.

Our investigator said that this offer was fair, but they shouldn't write off the outstanding balance. Miss B asked for an ombudsman to review her complaint, as she wanted the balance written off. She also said the negative information should be removed immediately, as she wanted to get car finance, and she believed the default on her Barclaycard will prevent her from doing so.

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 considered what Miss B has said about how her balance should be written off. To see whether I agree if this would be appropriate here, I need to look at what Barclaycard's initial lending checks showed. I will only be looking into the lending checks under the context of deciding whether to instruct a writing off the balance, and I will not be interfering with Barclaycard's decision to uphold the complaint.

Before agreeing to approve the credit available to Miss B, Barclaycard needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Barclaycard have done and whether I'm persuaded these checks were proportionate.

I've looked at what checks Barclaycard said they did when initially approving Miss B's application. Barclaycard relied on information from Miss B and a Credit Reference Agency (CRA). Miss B declared a gross annual income of £56,000.

The data also showed that Miss B had no County Court Judgements (CCJ's), and no defaulted accounts. The checks showed that Miss B was not in arrears on any of her active accounts at the time of the checks, or the 12 months prior to the checks.

Barclaycard completed an affordability assessment using the income Miss B declared (which they were able to validate through a CRA), her monthly credit commitments (being reported by the CRA), and modelling, which is an industry standard way of estimating outgoings.

The affordability assessment showed that Miss B would have a sufficient disposable income in order to make sustainable and affordable repayments for a £5,000 credit limit. So it wouldn't have been proportionate here for Barclaycard to have made further checks, such as asking Miss B to provide bank statements, especially as she had no recent adverse information on her credit file in the past twelve months, and the affordability assessment showed repayments would be sustainable and affordable.

As there were no signs of recent financial difficulty at the time of the application checks, then it would not be proportionate for me to ask Barclaycard to write off any of the outstanding balance, as I can't fairly say the lending was so clearly unsustainable that there was no realistic prospect of Miss B paying back what she was being lent.

I'm aware that Miss B has suffered a drop in income since the account was opened. And I've considered what she's said about writing off the balance as repayment is not feasible. Miss B has sent us bank statements and payslips to evidence her financial situation.

But I can't fairly say that there's little prospect of Miss B being able to repay the outstanding balance, and requiring her to do so would cause her undue financial hardship. I say this because Miss B has said she wanted to get car finance. So she would need to have disposable income to get this. In addition to this, Miss B's bank statements which she sent us from the end of 2025 show she has disposable income to pay for non-priority spending. So I can't fairly say that Miss B wouldn't be able to set up an arrangement with Barclaycard, even if she couldn't afford to repay her contractual repayments.

And it wouldn't be proportionate for me to ask Barclaycard to remove the adverse information immediately. This is because her credit file should be accurate. Asking Barclaycard to remove adverse information wouldn't give other lenders an accurate reflection of her current situation.

But Miss B may wish to consider registering a "*notice of correction*" with the Credit Reference Agencies (CRA) to explain the lender has agreed that the lending was irresponsible. This is a short explanatory note that she can add to an entry on her credit file, to explain the background to that entry. So anyone who searches her credit report, would see the notice of correction and take the notice into account if they viewed her credit file.

Prospective lenders will each consider a notice like this differently and it isn't a guarantee that they will put the underlying payment information to one side. But given how strongly Miss B feels here - it is an option that is open to her. She would need to contact the CRA's to do this.

The final response letter shows Barclaycard calculated the total redress to be £262.06. I can see this credited the Barclaycard account on 6 January 2026. But Barclaycard have informed our service that the calculation should have been 20p more. And they have offered to refund this, and pay Miss B £100 for the distress and inconvenience of them not properly remediating the account.

I'm persuaded that this amount is fair. I say this as the extra 20p will put her in a position she

would have been in if Barclaycard had paid the proper redress, but it would be distressing for Miss B that Barclaycard did not get this right first time. So I'm persuaded the extra £100 reflects the impact this would have had on Miss B.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress Barclaycard have already provided (and now offered due to the redress error) results in fair compensation for Miss B in the circumstances of her complaint. I'm satisfied, based on what I've seen, that no additional award would be appropriate in this case.

Putting things right

Barclaycard have suggested that they credit 20p to Miss B's Barclaycard account, and pay her £100 compensation for distress and inconvenience, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint in part. Barclays Bank UK PLC trading as Barclaycard should credit Miss B's Barclaycard with 20p. They should also pay Miss B £100 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 15 April 2026.

Gregory Sloanes
Ombudsman