

## **Complaint**

Miss P has complained that Barclays Bank UK PLC (trading as “Barclaycard”) irresponsibly provided a credit card to her. She says that card was unaffordable and never been able to repay the balance in a sustainable way.

## **Background**

Barclaycard accepted Miss P’s application for a credit card in February 2019. Miss P was provided with a credit limit of £4,000.00, which was never increased.

In December 2025, Miss P complained saying that the credit card Barclaycard provided was unaffordable and that making the repayments significantly worsened her financial position.

Barclaycard did not uphold Miss P’s complaint. As far as it was concerned Miss P had complained too late. Miss P remained dissatisfied and chose to refer her complaint to our service as a result. When responding to our request for its file on Miss P’s complaint, Barclaycard reiterated its view that Miss P had complained too late.

One of our investigators reviewed what Miss P and Barclaycard had told us. He thought that she hadn’t seen enough to be persuaded that Barclaycard failed to act fairly and reasonably when providing Miss P with her credit card. So the investigator didn’t recommend that Miss P’s complaint be upheld.

Miss P 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 Miss P’s complaint was made too late because she complained more than six years after the decision to provide the credit card 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”). 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 Miss P’s complaint. Given the reasons for this, I’m satisfied that whether Miss P’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 Miss P's complaint should be considered more broadly than just Barclaycard's decision to lend. I consider this to be the case as Miss P has not only complained about the decision to lend but has also alleged that this unfairly caused her ongoing difficulty going forward because making the repayments significantly worsened her financial position.

I'm therefore satisfied that Miss P's complaint can therefore reasonably be interpreted as a complaint about the fairness of her relationship with Barclaycard. I acknowledge Barclaycard may not agree that we can look at Miss P'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 Miss P's arguments on why she believes that she complained in time.

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

#### *Our typical approach to complaints about irresponsible and unaffordable lending*

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 Miss P's complaint.

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 is for a lender to decide which checks it wishes to carry out, although we can form a view on whether 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 don't think that the lender did enough to establish whether the repayments that a prospective borrower might have to make were affordable, this doesn't on its own mean that 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.

Miss P's relationship with Barclaycard is therefore likely to be unfair if it didn't carry out proportionate checks into Miss P's ability to repay what she could owe, in circumstances where doing so would have shown it that the credit card was unaffordable, or that it was irresponsible to lend. And if this was the case, Barclaycard didn't then somehow remove the unfairness this created.

*Application to Miss P's complaint – Was Barclaycard's decision to provide Miss P with the credit card unfair?*

Barclaycard says it initially agreed to Miss P's application after it obtained information on her income and carried out a credit search. And, in its view, the information obtained indicated that Miss P would be able to make the monthly repayments due for this credit card.

On the other hand, Miss P says that the credit card was unaffordable and took her years to clear.

I've considered what the parties have said.

What's important to note is that Miss P was provided with a revolving credit facility rather than a loan. This means that Barclaycard was required to understand whether a credit limit of £4,000.00 could be repaid within a reasonable period of time, rather than all in one go. And a credit limit of £4,000.00 reasonably sized monthly payments in order to clear the full amount that could be owed within a reasonable period of time.

Barclaycard has provided the output from Miss P's application which indicates that she declared being employed and having an annual income of around £20,000.00. Barclaycard also carried out a credit search on Miss P. The information from the credit check not only showed that Miss P didn't have any significant adverse information – such as defaulted accounts or county court judgments (“CCJ”) - recorded against her, the amount of credit she had in comparison to her income was low.

In circumstances, where Miss P also declared that she lived at home with parents, I think the information that Barclaycard had did suggest that she would be able to repay £4,000.00 within a reasonable period of time.

I appreciate that Miss P's circumstances may have altered for the worse and this saw her income reducing. While I'm sorry to hear about what happened and this resulted in Miss P having a far more difficult time than anyone had anticipated, I don't think that Barclaycard had any reason to know that this would happen at the time of this application. So while I accept the possibility Miss P may end up with a later complaint about a different product being upheld, I'm satisfied that this doesn't mean that Barclaycard failed to act fairly and reasonably towards her when accepting her application for a credit card.

As this is the case, I'm satisfied that it wasn't unfair for Barclaycard to offer Miss P a credit card with a limit of £4,000.00 in February 2019 and therefore there was no unfairness created at this stage.

*Did Barclaycard allow Miss P to use her card in a way that was unsustainable or otherwise harmful for her?*

Miss P has also said that Barclaycard acted unfairly towards her as it continued to allow her to use this credit card even though it became a form of long-term borrowing rather than short-term credit. In the first instance, I think that it would be helpful for me to explain that some of the arguments Miss P has made are more arguments associated with overdraft complaints.

For example, I would expect a bank account provider to regularly review the use of an overdraft and how often a customer is returning to a credit balance. However, a credit card isn't designed to be operated with a credit balance in the same that a current account is. So the fact that a customer might regularly use an account and never have a credit balance aren't necessarily reasons to terminate a credit card in the same way that they could be when it comes to an overdraft.

That said, the regulator, the Financial Conduct Authority ("FCA") did introduce new rules regarding persistent debt on credit cards in 2018. The final stage of these rules came into operation in 2020<sup>1</sup>. This permitted credit card providers to close a credit card to new spending where customers were not taking sufficient steps to reduce balances that were in persistent debt. The lender would then set up an affordable pay down plan for the balance owed, even if a customer was making their minimum payment in accordance with the terms and conditions of the account.

Given Miss P's reference to her failing to clear the balance on the card and only making minimum payments, I've considered whether Barclaycard had sufficient regard to these rules.

In the first instance, it's worth noting that that it doesn't automatically follow that an individual who has had a balance towards the upper end of their credit limit will be in persistent debt. I say it because the definition of persistent debt is based on how much of the customer's payments go towards interest and how much goes towards repaying the capital borrowed.

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<sup>1</sup> The persistent debt rules actually came into force in 2018. This is when the first PD18 letters will have gone out. As the paydown plan phase starts at 36 months, it wasn't until 2020 where the first accounts will officially have been in persistent debt for the required time. It is only where this criteria was met that a lender was permitted to impose solutions aimed at helping reduce a customer's debt, without adverse credit information being recorded, irrespective of whether the customer was maintaining the account in line with the terms and conditions.

As this is the case, it is perfectly possible for someone to remain at the upper end of their credit limit for the relevant period without ending up in persistent debt. For example, because they have a promotional interest rate.

From what I've seen, Miss P ended up over her credit limit in mid-2019 (which is shortly after the account was opened) and for a period after this hovered around the full amount of the credit limit. However, since April 2020, Miss P has consistently made repayments well in excess of the minimum payment and has regularly brought down her balance.

So I don't think that Miss P was ever in a position where her repayment record meant that she was paying more in interest, fees and charges than she was towards her capital balance to meet the persistent debt criteria. This is especially as the initial period to be formally identified as being at risk of persistent debt is 18 months.

Indeed, I can see that there were periods where Miss P was close to fully repaying the credit card and then made purchases on the account. In these circumstances, I wouldn't have expected Barclaycard to have done anything more as it had no reason to suspect that the account had become unsustainable for Miss P. So I don't think that Barclaycard's actions in the period Miss P has had her account led to unfairness either.

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

So while I can understand Miss P's sentiments and sympathise with the difficult time that she's said she's had repaying her credit card, I'm nonetheless not upholding this complaint. I appreciate this will be very disappointing for Miss P. 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 Miss P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 26 May 2026.

Jeshen Narayanan  
**Ombudsman**