

complaint

Mr G is unhappy Barclays Bank Plc increased his credit card limit. He said if it had checked his financial circumstance it would have seen that he couldn't afford to take on further debt.

background

Mr G took out a credit card with Barclays around March 2013. He was given a credit limit of £7,000. In June 2014 Barclays increased Mr G's credit limit by a further £2,500.

Mr G then began using his credit card for online gambling transactions at an increasing rate. By February 2015 he had exceeded his credit card limit. At this point Mr G stopped using the credit card and gradually brought down the balance. Barclays reduced Mr G's credit limit to £5,700 in June 2015.

Mr G said Barclays shouldn't have increased his credit limit in 2014. He said it should have seen from his credit score and the other loans and debts he had that he wasn't in a position to repay any further debts. Mr G has provided this service with a recently obtained copy of his credit report.

Barclays said it carried out all the relevant checks before it made any changes to Mr G's credit limit and said it hadn't acted irresponsibly. It said that once it noted Mr G was struggling to keep to his balance it reviewed his account and reduced the available amount of credit.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. While I know it will be a disappointment to Mr G, in doing so I don't intend to direct Barclays to do anything further.

When Barclays notified Mr G of its decision to increase his available credit, Mr G had always made his monthly payments at around the minimum payment due. He had used about half of the original available credit to him. And his spending in the months prior to the increase taking effect had been low and the overall debt hadn't increased significantly. So I can't say that anything in Mr G's conduct on his credit card should have caused Barclays concern about increasing his available credit in 2014.

I've reviewed the recent credit report Mr G's provided. In doing so, the report largely confirms that Mr G had always made his repayments on the loans and credit cards he had held previously. And in fact many of these were settled prior to taking out the credit card with Barclays or were taken out much later after the credit limit was reduced. The exception to this was a store card on which Mr G had missed payments in 2013. But for the six months prior to the increase in 2014, Mr G had made the required payments. So I also can't conclude that anything in Mr G's credit history should have caused Barclays to consider it would irresponsible to make further credit available. And in any event Barclays weren't required to look at Mr G's credit report. It just had to make sure that its affordability checks were proportionate to the level of proposed lending.

Finally, there's no evidence that Mr G informed Barclays that he was experiencing financial difficulties of any kind. When the credit limit was increased in 2014 Mr G would have had the opportunity to call Barclays and decline the increase if he wished.

Barclays had an obligation to act responsibly in making further lending available to Mr G. From the available evidence there is nothing to suggest that it shouldn't have increased his limit. When Mr G began to struggle to deal with the debt on the credit card, Barclays took steps to reduce the available credit. Because of this, I don't consider that Barclays acted irresponsibly.

my final decision

For the reasons outlined above, I don't intend to ask Barclays Bank Plc to do anything further in relation to Mr G's complaint.

Under the rules of our service, I'm required to ask Mr G to accept or reject my decision before 12 May 2017.

Benjamin Taylor
ombudsman