

## **complaint**

Miss B complains that Barclays Bank Plc (trading as Barclaycard) did not follow the lending code and acted irresponsibly when they accepted her application for a credit card as she was in financial difficulties. She wants Barclaycard to cancel her credit card and clear her outstanding balance.

## **background**

Miss B applied online for a Barclaycard credit card in March 2016. The application was successful and a credit limit of £9,700 approved. Miss B asked for two balance transfers to be applied.

In April and July 2016, Miss B applied for a further two balance transfers which were also accepted and a 0% promotional rate was applied to them all.

In October 2016, Miss B wrote to Barclaycard to complain about the level of credit offered to her and to explain her financial position, which had changed. Miss B asked Barclaycard to limit her credit and close the account to ensure she did not get any further into debt.

Miss B also complained that she did not feel the lending code had been followed. She felt Barclaycard had been irresponsible in offering her a credit card and she asked them to clear the outstanding balance on the credit card.

Barclaycard investigated and reduced the credit limit to £6,850 and subsequently closed her account. They did not feel they had acted irresponsibly and declined to clear the outstanding balance.

Our adjudicator did not agree with Miss B that Barclaycard had acted irresponsibly in accepting her credit card application and two balance transfers. He found the business had acted fairly and did not ask Barclaycard to do anything else. Miss B was unhappy with the adjudicator's view and asked an ombudsman to review the case.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I have reached the same conclusion as our adjudicator. I know Miss B will be disappointed, particularly bearing in mind how her situation's changed and the problems she's dealing with, but I'll explain why.

Miss B applied online for a credit card and transferred two balances at the same time followed by two further balances later in the year. All the transfers received a promotional offer of 0% and were well within the credit limit initially offered. The main purpose of the application would seem to be debt consolidation and not new spending. This means the debt already existed and now had a more favourable rate than before.

I have reviewed the credit file provided by Miss B and the online application form provided by Barclaycard and although there are some minor defaults, there is nothing to indicate financial hardship. The monthly payments were maintained and the credit checks met Barclaycard's requirements.

Barclaycard have their own policies to determine whom they offer credit to and at what rate. We don't normally interfere with the legitimate exercise of commercial judgement. And I don't see any reason to do so here. But it seems Miss B only seems to have secured a more advantageous interest rate on existing debts as a result.

On receiving the letter from Miss B in October 2016 Barclaycard have acted promptly and fairly in reducing the credit limit and closing the account as requested. The level of debt that Miss B now has appears very much the same as it was before she applied for the credit card.

I do not think Barclaycard acted irresponsibly either in accepting the application and balance transfers. Barclaycard has responded to Miss B's request to reduce her credit limit to prevent any further debt. But it is worth me reminding them that they should continue to respond positively and sympathetically to Miss B's situation.

This does not mean they have to reduce (or clear) the balance owed; rather that it should work with Miss B to agree a sustainable way of repaying the debt. In addition, of course, it requires Miss B to co-operate with Barclaycard to achieve this.

#### **my final decision**

For the reasons I have given I do not uphold Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I am required to ask Miss B to accept or reject my decision before 26 June 2017.

Wendy Steele  
**ombudsman**