

## **complaint**

Mr M complains that Barclays Bank Plc (trading as "Barclaycard") acted irresponsibly when it granted him his credit card. He says he had a gambling addiction and that should have been apparent if Barclaycard had looked at his previous card he'd held.

## **background to the complaint**

Mr M has had two credit cards with Barclaycard. The first was taken out in July 2013 and was closed in June 2016. The second card was taken out in September 2016 with a credit limit of £2,000. Mr M has said he's only complaining about the second card.

In 2018 Mr M complained to Barclaycard that the lending had been irresponsible. Barclaycard didn't uphold the complaint, but did say it would suspend interest on the account until 29 May 2018. It said Mr M should call its support team to discuss a repayment plan, or to arrange to close his account if he preferred.

An adjudicator looked things and he was satisfied Barclaycard had carried out adequate checks before granting the card. Mr M didn't agree and so it's been passed to me to decide.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

There was no requirement for Barclaycard to review the transaction history of Mr M's closed account to see what he'd previously spent his money on. So Barclaycard couldn't have known when it granted this card that Mr M had a gambling problem unless he told it, which he didn't. Barclaycard has said that if Mr M had told it then it could have removed the cash facility on the card which would have meant Mr M couldn't withdraw cash, or spend money on gambling websites using this card.

Before lending to a customer, we expect businesses to perform some checks to ensure that the money can be repaid. We can't tell businesses which checks need to be carried out; this is for a lender to decide. But we do expect them to be able to show that they carried out reasonable and proportionate checks in the circumstances. I'm satisfied that Barclaycard carried out appropriate checks when it considered Mr M's application for the card.

I've looked through Mr M's account statements and the credit reports he's provided, and I've taken into account what he's told us about his circumstances. But I don't think Barclaycard acted irresponsibly in agreeing his card application. Mr M says he was using other credit cards and loans as well as borrowing from family. But Barclaycard couldn't have known about the family loans, and his other accounts were being maintained to a level Barclaycard was happy with. When Mr M applied he declared that he was earning £29,000 working for a high street bank and was living with his parents, paying out about £350 a month in rent and other living expenses. His credit file showed outgoings for his debts were about £740 a month, so granting this credit card with a £2,000 limit doesn't seem inappropriate when comparing the level of Mr M's outgoings to his income.

I acknowledge Mr M had payday loans, but many of these had been paid off in a satisfactory manner and the size of those outstanding was small in relation to Mr M's income. Payday

loans aren't necessarily an indication that a customer is in financial difficulty, especially if they show that the customer is able to maintain the accounts and pay them off in full.

Mr M has said within a week he'd spent the entire £2,000 credit limit on gambling, but that's not true. About £1,000 of the limit was used by Mr M to transfer the balances of two other credit card accounts onto this one, £600 went on online gambling and the rest was spent at various food outlets, supermarkets and other normal day to day spending.

Having reviewed everything I'm satisfied Barclaycard didn't know that Mr M was struggling before he told it when he complained. Now it does know, I expect Barclaycard to treat Mr M positively and sympathetically and I hope the sides can have an open and honest dialogue about the best way forward. I appreciate Mr M has had a difficult time, but overall I'm not persuaded that Barclaycard acted irresponsibly in granting his application for the credit card.

### **my final decision**

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 31 January 2019.

Julia Chapman  
**ombudsman**