

complaint

Mr S complains that Barclays Bank UK PLC (Barclays) lent to him irresponsibly. He also feels that Barclays should not have given him a £6,000 credit limit; it should have placed a daily limit on his credit card use; that it failed to provide him with an acknowledgment to his complaint, and it took too long to respond in full.

background

Mr S applied to Barclays for a credit card to transfer a balance of £4,000. He obtained one and was given a credit limit of £6,000. Mr S said the card allowed him to take cash of up to 100% of his credit limit, but said he had not been made aware of that. Sometime later Mr S got into financial difficulty through his on-line gambling habit. He said Barclays didn't alert him or do any fraud checks, although he accepted he was his *'own worst enemy by gambling'*. Mr S said the on-line gambling transactions appeared on his account as *'cash like transaction'* and they should've had a limit on them like the £500 ATM cash withdrawals. He feels that would have helped him in thinking twice before gambling on-line again. On one occasion Mr S said he spent £6,000 in an hour leading him to become distraught for a few months, depressed, and then giving his job up as he was off sick. Mr S also said that when he asked Barclays for a 0% balance transfer to help reduce his balance it was rejected.

Barclays accepted Mr S had initially only asked for a £4,000 balance transfer, but said customers could always ask to reduce the limit on-line themselves, or ask them to do it. They said Mr S had also managed his account very well making large payments or reducing the balance significantly. He had made a number of balance transfers and payments were always on time. It said there was nothing to signal any risk or that extra care was needed to help Mr S manage his finances. Further, that as the gambling didn't occur until later, they had been unaware he had a problem or was in financial difficulty until he told them.

Barclays accepted his ATM transactions were limited to £500 per day, but explained that *'cash like transactions'* were classed as purchases and unlimited. It said it couldn't flag up or track gambling transactions, nor tell its customers how to spend their money. But, had Mr S told them of his gambling problem they could have reduced his cash limit to zero to help stop his gambling. It said the cash limit on his account was detailed on each monthly statement and he would therefore have been aware of and reminded of the facility monthly.

Barclays did not think they had acted irresponsibly, but did agree it had not provided an acknowledgment letter and there had been a delay in dealing with his complaint. For that it credited his account with £125 in compensation, which it then transferred to his bank account at his request.

Mr S was unhappy with Barclays' response and so an investigator from this service looked into the complaint but thought that it was impossible for Barclays to monitor their customers' accounts in the way Mr S suggested. And, as Barclays hadn't known about Mr S's gambling until he told them, they hadn't done anything wrong. Mr S disagreed with our investigator's view and so the matter has been passed to me for a final decision.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. It's clear that Mr S asked for a credit card with the facility to make a balance transfer of £4,000. This he received, although with an

increase to £6,000. Had Mr S been unhappy with that level of credit he could easily have contacted Barclays or indeed reduced the limit on-line. As he did neither, I am satisfied that he was happy with that credit limit, and as Barclays were unaware of his gambling problem I don't think they've done anything wrong in giving him such a limit.

When a business knows their customer is in financial difficulties they are obliged to treat that customer sympathetically and fairly. The evidence shows that Mr S was in fact managing his account very well and until he told Barclays he had a gambling problem they were entirely unaware of it. I know Mr S believes that Barclays would've been able to see he was spending money on gambling, but that alone does not justify them interfering with his account, since it is not for Barclays to dictate a customer's spending habits or preferences. I also think it is unreasonable to expect Barclays to monitor each of their customer's accounts to the level Mr S suggests. That would take huge resources given the many thousands of accounts Barclays have, and is simply not manageable or proportionate. So I'm afraid that I can't agree that Barclays should've known Mr S was in financial difficulty.

The evidence also shows that when Mr S told Barclays about his financial problems, they did react positively and sympathetically by referring him to their Specialist Support Team and reducing his cash limit to zero. So I can see Barclays has tried to assist him. I know Mr S complains that Barclays refused to give him a 0% balance transfer, but they have not acted unreasonably in doing so. Banks are entitled to consider all applications on their merits and refuse them if they feel they don't meet their criteria for lending.

Barclays have accepted that it failed to issue Mr S with an acknowledgement to his complaint and that it took too long to respond to him. The issue therefore now becomes what the appropriate level of compensation ought to be. I have thought about the £125 Barclays paid to Mr S and although I know he will be disappointed with my decision I do agree with our adjudicator that this is a reasonable sum and in line with this services guidelines. So I don't think that Barclays need to do anything more.

my final decision

For the reasons set out above I do not uphold the complaint against Barclays Bank UK PLC, and as they have already paid Mr S £125 in compensation I don't require them to do anything more. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 11 May 2019.

Jonathan Willis
ombudsman