

complaint

Mr W has complained about Tandem Bank Limited's refusal to review his credit limit on his credit card account.

background

Mr W opened a credit card account with Tandem in April 2018. He says he asked several times when he could increase his credit limit and was told he would have to wait until he'd had the card for at least six months. Mr W contacted Tandem again in November 2018, six months after he was issued the credit card, but was then told he'd have to wait 12 months.

Tandem said a business decision had been made to change the timeframes involved in reviewing credit limit increases. It said it was sorry Mr W had been caught up in its change in process but said it wouldn't review his credit limit until April 2019. Mr W wasn't happy and complained to this service.

Our investigator didn't uphold the complaint. She said the information Tandem had given Mr W when he opened the account had been correct at the time. She said reviews of credit limits didn't form part of the terms and conditions of Mr W's account and she didn't think Tandem had to inform him about a change to its process as that was a legitimate business decision. She therefore didn't think it would be fair to ask Tandem to review his account before it was eligible for review.

As Mr W remained unhappy, the complaint has been passed to me to make 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. I realise this will be disappointing to Mr W but, having done so, I find that I agree with the investigator and for largely the same reasons.

I can understand why Mr W was upset with Tandem. When he opened the credit card account, Tandem said it would review the credit limit after six months. But when he contacted Tandem six months later, it had changed its position and said he'd now have to wait for 12 months.

However, Tandem are entitled to make many commercial operational decisions without consulting its customers. And I think this is one of them. When Mr W applied for a credit card account, Tandem considered the information he'd provided, and the information held on his credit file, against its lending criteria. It then set his credit limit accordingly. This was the amount it was happy to lend Mr W and he accepted the offer. And, as far as I can see, Tandem didn't give any guarantees to Mr W that it would increase his credit limit in the future at whatever point in time that the review might have taken place.

I've seen the terms and conditions Mr W received when he opened his account. Tandem said it may increase or reduce the credit limit from time to time and, if it does, it would let the customer know the new limit in writing and give them at least 30 days' notice. The terms and conditions also say that the customer may ask Tandem to change the credit limit. But there is nothing in the terms and conditions that specifies when Tandem will review the credit limit – or when it would allow customers to seek a review. So I don't think there was any obligation on Tandem to review Mr W's credit limit after six months.

I recognise that Tandem initially told Mr W it would review his credit limit after six months but that was correct information at the time. While I can understand why this might have been disappointing for Mr W I think it was a legitimate commercial decision for Tandem to delay undertaking such a review.

In light of the above, I don't think Tandem have treated Mr W unfairly. It apologised for the fact he'd been caught up in its change in process and I don't think it needs to do any more.

my final decision

My decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 14 June 2019.

Richard Walker
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