



complaint

Mr B complains that Barclays Bank PLC trading as Barclaycard ("Barclaycard") was irresponsible in allowing him to exceed his credit limit.

background

Mr B had drunk alcohol and had taken prescription medication when he used his credit card on an online gambling website one evening. The following day, he had no recollection of doing this, but found that he had spent significantly more than the credit limit on his Barclaycard.

He complained to Barclaycard that the transactions had been authorised even after he had reached his credit limit. He said that he had not been warned that this could happen, and that it was irresponsible lending not to ensure that measures were put in place to protect consumers – particularly on a gambling website.

Barclaycard said that it would have been unable to step in to stop transactions purely because the merchant was a gambling website. The individual credit limits that it sets were a matter of its commercial discretion and, in general, it would not automatically reject all genuine transactions over a given credit limit. It was satisfied that the card was being used by the genuine card holder and it said that Mr B was liable for the money he had spent using the card.

Our adjudicator did not consider that the complaint should be upheld. He said that Barclaycard was acting on Mr B's instructions to make these payments, and it had made the commercial decision to allow Mr B to exceed his given credit limit. Barclaycard said that a system error caused some of the transactions above the credit limit to be authorised. But the adjudicator found that Mr B had spent the money and so the debt was rightly owed. Barclaycard agreed to suspend interest and charges on Mr B's account, and to accept a reduced monthly repayment plan. It also offered to pay Mr B £100 as a gesture of goodwill. The adjudicator considered this to be reasonable.

Mr B did not accept the adjudicator's findings. He said that Barclaycard was irresponsible in allowing him to exceed his credit limit and did not show him a duty of care. He feels he was exploited during a vulnerable time.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I am sorry for the situation that Mr B has found himself in. However, he has not disputed that he did make these transactions on the gambling website. It seems more the case that he feels he should not have been allowed to exceed his credit limit.

Having considered his account statements, Mr B made a number of individual payments to the gambling website before his credit limit was reached. The ones that took him over this were mostly for the same amount.

A bank's decision about how much credit it is willing to offer a customer is a matter of its commercial discretion – and not something in which I would generally interfere. Barclaycard was satisfied that it was Mr B using the credit card, which meant that it considered the transactions to be genuine – ones that Mr B wanted to make.

So although it may have been a system error which meant that some of these transactions exceeded the given credit limit, it was Barclaycard's decision to agree to Mr B having this additional amount of credit. Barclaycard is aware of how Mr B has managed his accounts through his history as its customer. It was satisfied that it was Mr B asking it to pay these transactions and I do not consider that this amounts to irresponsible lending in these circumstances.

Barclaycard could not have known Mr B's personal situation at that time, or that other factors may have affected the decision he was making to spend this money. I would not generally expect a bank to prevent, or take steps to intervene with, where or how a customer chooses to spend their money in circumstances such as this, even if it is used for gambling.

Overall, I am unable to conclude that Barclaycard should not expect repayment of this debt from Mr B. It has agreed to suspend interest on his account and accept a reduced repayment plan, which I find to be reasonable in the circumstances. It has also offered to pay Mr B £100 and I consider this fairly reflects his inconvenience in having to contact Barclaycard to progress his complaint.

my final decision

My decision is that I uphold this complaint in part. Barclays Bank PLC, trading as Barclaycard, should pay (*not credit*) Mr B £100.

Cathy Bovan
ombudsman