

complaint

Mrs G complains that Barclays Bank UK Plc increased the limits on her two credit cards in 2013. She believes it was irresponsible lending.

background

credit card account ending in 4

Mrs G opened this credit card account in 2009. The limit increased in October 2013 from £3,000 to £6,000.

credit card account ending in 1

Mrs G opened this credit card account in 2011. The limit increased in October 2013 from £4,500 to £8,500.

Mrs G said Barclays should have known that she had taken out a loan in 2011 and had a number of other debts which were recorded on her credit report. She also said her credit card balances were not clearing quickly. Mrs G does not believe she was managing the cards well at the time.

Our investigator did not recommend that the complaint be upheld. She was satisfied Barclays had shown that it made the necessary checks when it increased the credit limits.

Mrs G disagreed, so the complaint has now been passed to me.

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've reached the same conclusions as our investigator and for broadly the same reasons. I'll explain why.

credit card account ending in 4

I am satisfied that Barclays assessed Mrs G's creditworthiness and financial situation. And I don't think anything on Mrs G's credit report would have indicated to Barclays that it shouldn't offer the credit limit increase in 2013. Barclays has shown us information on the checks it made. An affordability assessment was carried out. Barclays had no record of Mrs G missing payments on this card. Nothing negative was identified from Barclays' search of the credit reference agencies. And the increase wasn't excluded on the grounds of over indebtedness of the card.

I can also see from the credit card statements that Mrs G was making a payment to the account each month and typically above the required minimum payment. And Mrs G was keeping within her credit limit; she never exceeded it. This doesn't indicate to me that she didn't manage the card well. With all of this in mind, I don't believe this was irresponsible lending by Barclays.

Barclays noted that Mrs G applied for two credit limit increases in 2015, on this credit card account.

credit card account ending in 1

I am satisfied that Barclays did undertake an assessment of Mrs G's creditworthiness and financial situation. And I couldn't see anything from Mrs G's credit record which would have indicated to Barclays that it shouldn't offer the credit limit increase in 2013. Barclays has shown us details of the checks it made. It had no concerns around affordability. Its search of the credit reference agencies picked up no negative information for Mrs G. And the increase wasn't excluded on the grounds of over indebtedness of the card.

The statements show that Mrs G was making a payment to the account each month and typically above the required minimum payment. She kept within her credit limit and never exceeded it. Again, this doesn't indicate to me that Mrs G didn't manage the card well. So I don't believe this was irresponsible lending by Barclays.

I can also see that Mrs G did a balance transfer in 2013 to take advantage of a promotional interest rate. Such an action, suggests that Mrs G was actively managing her finances. And I note that the credit limit on this card account was decreased in 2015.

I would add that Mrs G didn't have to accept the credit limit increases, she could have opted out. Or Mrs G could have accepted the increases but then just not used them.

Mrs G referred to a loan she had taken out in 2011. Barclays said it couldn't see the loan was with them. But it reiterated that it had carried out the relevant checks concerning Mrs G's credit worthiness and it confirmed that she had met the lending criteria.

In conclusion, based on what I've seen, I am satisfied that Barclays appropriately assessed Mrs G's eligibility for the credit limit increases.

my final decision

My final decision is that I do not uphold this complaint about Barclays Bank UK Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 17 May 2019.

Paul Phillips
ombudsman