

The complaint

Mr S complains that Tymit Ltd irresponsibly gave him a credit card account that he couldn't afford.

What happened

On 17 November 2021, Mr S's credit card was opened by Tymit Ltd with an initial credit limit of £1,500. This credit limit was never increased.

In 2023, Mr S complained to Tymit Ltd to say that the account shouldn't have been opened for him because it wasn't affordable and that Tymit Ltd ought to have made a better effort to understand his financial circumstances before opening the credit card for him.

Our investigator recommended the complaint be upheld. Tymit Ltd didn't agree. So, the complaint was passed to me to decide.

I issued my provisional decision in respect of this complaint on 19 October 2023, a section of which is included below, and forms part of, this decision. In my provisional decision I set out the reasons why it was my intention not to uphold Mr S's complaint. I set out an extract below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I've read and considered the whole file, but I'll confine my comments to what I think is relevant. If I don't comment on any specific point, it's not because I've failed to consider it but because I don't think I need to comment on it in order to reach what I think is the right outcome in the wider context. My remit is to take an overview and decide what's fair "in the round".

Tymit Ltd will be familiar with all the rules, regulations and good industry practice we consider when looking at a complaint concerning unaffordable and irresponsible lending. So, I don't consider it necessary to set all of this out in this decision. Information about our approach to these complaints is set out on our website.

Mr S's complaint is that Tymit Ltd made credit available that was unaffordable. Tymit Ltd has explained that it relied in part on information that Mr S provided at the time of application to assess affordability. They said they also carried out a credit search in Mr S's name to assess Mr S's level of debt at that time and to understand how he had been managing that debt. With that information and using their own scoring metric, Tymit Ltd decided to agree to the credit limit of £1,500. So, there was some assessment of affordability at the time of the sale.

The Tymit Ltd checks showed that Mr S had a good credit record. Mr S has provided a credit report that features some information from the time of the sale. This supports the evidence that was available to Tymit Ltd at the time of the lending decision. Mr S's credit file was very clean at the time of the loan application. When I say this, I mean that Mr S's management of his existing credit showed no recent history of CCJ's, defaults or any late

payments. So, it seemed from the credit file that at the point that the lending decision was made, Mr S was affording his existing credit. And the total amount of credit was not immodest in relation to Mr S's income at that time. And so, Tymit Ltd were not put on notice of any reason not to agree the lending from that. And so, I don't think that the information that Tymit Ltd had at the time of the lending decision, would have led them to feel they ought to make more searching enquiries of Mr S's expenditure.

I have to look at the information that was available to Tymit Ltd at the time it made its lending decisions and not to use hindsight. I have seen insufficient evidence that the other information that Tymit Ltd acquired or had presented to it at the time of the lending decision, would have led them to think that they were remiss in not checking Mr S's expenditure more closely.

So, having considered all the submissions made in this case, I have seen insufficient evidence to think that the credit Tymit Ltd provided to Mr S was unreasonable."

I asked the parties to the complaint to let me have any further representations that they wished me to consider by 2 November 2023. Tymit Ltd responded acknowledging receipt of my provisional decision. They said they have nothing further to add. Mr S has acknowledged receipt of the provisional decision and has not accepted my provisional findings.

As Mr S has provided his further submission for me to consider before I issue the final decision, I am proceeding to my final decision now.

What I've decided – and why

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

Mr S has not accepted my provisional findings and has made a further submission for me to consider. I have noted the default on Mr S's credit report. It dates back to 2017 and was settled later that same year for a very modest amount. I am not aware if Tymit Ltd were aware of that at the time of the lending decision on 17 November 2021 or whether they were aware and factored it into their credit decision.

In any event, the default was some four years before the lending decision and had been settled for a very modest amount more than four years before the lending decision was made. So, I am not persuaded that this should have been sufficient either to put Tymit Ltd off providing Mr S with credit or to have made them conduct more searching enquiries into Mr S's expenditure before providing credit.

Mr S thinks his existing credit utilisation was already too high, such that he thinks Tymit Ltd should have avoided adding to it. I must reach my decision using the information that was available to Tymit Ltd, or could have been sought by them, at the time they made their lending decision. I cannot use hindsight.

At the time that Tymit Ltd made their lending decision, Mr S's credit report was showing no recent history of anything but well managed credit. And so, I do not think that Tymit Ltd were irresponsible to provide further lending to Mr S, taking into account his income and existing borrowing at the time.

Having considered all of the submissions made in this case afresh, I have seen insufficient evidence to persuade me that Tymit Ltd should have made more searching enquiries into Mr S's expenditure or to have avoided providing him with the credit they did in November 2021.

My final decision

For the reasons set out, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 November 2023.

Douglas Sayers
Ombudsman