

## **The complaint**

Mr D complains that Madison CF UK Limited trading as 118 118 Money lent irresponsibly when it approved his credit card application and later increased the credit limit.

## **What happened**

Mr D made a credit card application to 118 118 Money in August 2019. In the application, Mr D said he was employed full time with a monthly income of around £2,021. Mr D also said he was a homeowner. 118 118 Money carried out a credit search and says it found mortgage commitments in Mr D's name along with unsecured credit. 118 118 Money's credit search found some defaults from 2017 and 2018 as well.

118 118 Money says it applied its lending criteria to Mr D's application and approved a credit card with a low limit of £250.

Mr D went on to use his credit card and in September 2021 the limit was increased by 118 118 Money to £800. 118 118 Money says it reviewed Mr D's credit card history and credit file before taking the decision to increase Mr D's credit limit.

Last year, Mr D complained that 118 118 Money had lent irresponsibly when it approved his credit card and later increased the credit limit. 118 118 Money issued a final response on 19 April 2023 but didn't agree it had lent irresponsibly.

Mr D's representatives referred his complaint to this service and it was passed to an investigator. They thought 118 118 Money had carried out reasonable and proportionate checks before approving Mr D's credit card application and increasing the credit limit and didn't uphold his complaint. Mr D's representatives asked to appeal, so his complaint has been passed to me to make a decision. The investigator recently contacted Mr D's representatives to request a copy of his bank statements but we didn't receive them or a request for more time by the due date given. As Mr D's representatives asked to appeal, his complaint has been passed to me to make a decision.

## **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.

Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is set out on our website.

In short, before agreeing to lend, 118 118 Money needed to complete proportionate checks to be able to understand whether the borrowing was sustainable for Mr D. There's no specific list of checks a lender has to complete. While it is down to the lender to decide what specific checks to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, the total cost of the credit and what it knew about Mr D at the time of application.

In this case, Mr D provided information about his income and employment at the point he applied in August 2019. In addition, Mr D confirmed he was a homeowner and 118 118 Money carried out a credit search. 118 118 Money found evidence of Mr D's mortgage costs on his credit file.

In addition, 118 118 Money found evidence of the unsecured borrowing Mr D had on his credit file along with his credit history in general. I can see Mr D had some defaults in 2017 and 2018 and that 118 118 Money was aware of them. In addition, there is evidence of some short-term lending around the time Mr D applied to 118 118 Money for a credit card. But I have to balance that against the fact the credit card was approved with a reasonably modest credit limit of £250. I'm satisfied that 118 118 Money obtained an accurate picture of what Mr D owed and the payments he was making each month.

In my view, the checks 118 118 Money carried out were proportionate to the type of credit Mr D was applying for. I'm sorry to disappoint Mr D, but I haven't been persuaded 118 118 Money lent irresponsibly when it approved his credit card application.

Around August 2021 118 118 Money increased the credit limit to £800. Again, 118 118 Money reviewed Mr D's credit file. I've reviewed the information it found and haven't seen anything that would've highlighted Mr D was experiencing financial difficulties at the time. In addition, for around six months before the credit limit increase was approved Mr D's balance was substantially below the existing limit of £250. I've considered all the information 118 118 Money had available and haven't been persuaded it lent irresponsibly when it increased Mr D's credit limit. In my view, 118 118 Money carried out reasonable and proportionate checks before increasing Mr D's credit limit. I haven't been persuaded it 118 118 Money lent irresponsibly when it increased Mr D's credit limit to £800.

I'm very sorry to disappoint Mr D but as I'm satisfied 118 118 Money carried out proportionate checks before approving his credit card application and increasing its credit limits and haven't been persuaded it lent irresponsibly, I'm not upholding his complaint.

### **My final decision**

My decision is that I don't uphold Mr D's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 1 December 2023.

Marco Manente  
**Ombudsman**