

## **The complaint**

Mr G complains that Koto Card Limited trading as The Credit Thing (TCT) lent to him irresponsibly.

## **What happened**

In January 2022 Mr G applied for a credit card with TCT. TCT approved the application and gave Mr G a card with an initial credit limit of £500. The credit limit was increased to £800 in April 2022.

Mr G complained that TCT had lent to him irresponsibly.

TCT didn't uphold the complaint. It said it had carried out proportionate checks before lending to Mr G.

Mr G remained unhappy and complained to this service.

Our investigator didn't uphold the complaint. He said that TCT had completed reasonable and proportionate checks and that the lending decision was fair.

Mr G didn't agree. He said he'd had other complaints about irresponsible lending determined in his favour and that he shouldn't have been given the card because he already had several cards and loans.

## **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.

We've set out our approach to complaints about irresponsible and unaffordable lending on our website. I've had this approach in mind when considering Mr G's complaint.

Before agreeing to lend, TCT needed to complete reasonable and proportionate checks to ensure that Mr G could sustainably repay what was being lent to him.

There's no set list of checks that a lender has to carry out. But lenders are required to consider things like the amount being lent, the total amount repayable, the monthly repayment and the consumers individual circumstances when deciding what's reasonable and proportionate.

I've looked at the checks that TCT completed prior to each lending decision to see if these were reasonable and proportionate.

Mr G declared income of £2400 per month when he applied for the card. He declared expenditure of £250. TCT used an industry tool to verify Mr G's income.

TCT carried out a credit check to see what other credit commitments Mr G had. This showed that Mr G had several credit card accounts. TCT looked at the total amount of credit

available to Mr G across all of these credit accounts, as well as his utilisation of that credit. TCT also looked at how the accounts were being managed, for instance, whether payments were up to date, and whether there had been any missed payments, defaults or CCJ's.

TCT didn't see anything in the information gathered which gave it cause for concern. It carried out an affordability check and found that the credit was affordable for Mr G.

Based on what I've seen, I think the checks carried out by TCT were reasonable and proportionate.

I've gone on to consider whether the lending decision was fair. Looking at the information gathered, I haven't seen anything to suggest that Mr G was struggling to repay his debts, or that he was overly reliant on credit. His monthly disposable income was sufficient to afford the repayments on the credit card. Based on what I've seen, I don't think there was any reason to think that Mr G wouldn't be able to sustainably repay the credit.

For these reasons I don't think TCT lent to Mr G irresponsibly.

I've taken account of everything Mr G has said. I can see from the credit check that Mr G had other credit cards and loans. But this of itself isn't a reason for a lender not to approve credit. The checks didn't indicate that Mr G was struggling to repay his existing credit commitments or that he was dependent on credit.

I appreciate that Mr G may have had other complaints about lending resolved in his favour. But this service considers every complaint on its own merits, so I'm not bound by the outcome in other cases, even if the circumstances are broadly similar.

### **My final decision**

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 6 August 2023.

Emma Davy  
**Ombudsman**