

The complaint

Ms A complains that Madison CF UK Limited trading as 118 118 Money ('118 118 Money') irresponsibly gave her a credit card that she couldn't afford.

What happened

Ms A complains that Madison CF UK Limited trading as 118 118 Money ('118 118 Money') irresponsibly gave her a credit card that she couldn't afford. On 13 June 2020, Ms A applied for a credit account with 118 118 Money. She was given an initial credit limit of £500. The credit limit was not increased.

In 2023, Ms A complained to 118 118 Money to say that the account shouldn't have been opened for her because it wasn't affordable and that 118 118 Money ought to have made a better effort to understand her financial circumstances before increasing her credit limits.

Our adjudicator recommended the complaint be upheld. 118 118 Money didn't respond, so their disagreement is implied. So, the complaint was passed to me to decide.

I issued my provisional decision in respect of this complaint on 15 December 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 Ms A'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".

118 118 Money 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.

Ms A's complaint is that 118 118 Money made credit available that was unaffordable. 118 118 Money has explained that it carried out a credit check using a credit agency to determine the amount of credit it was able to offer. It's possible that 118 118 Money failed to make adequate checks before providing Ms A with credit. But even if that's true, I don't think better enquiries would have caused 118 118 Money to think the initial credit limits or the credit increases were unaffordable.

I say this because the initial credit limit was modest and the minimum monthly payments for that credit were also relatively modest. And 118 118 Money had an existing lending

relationship with Ms A as she had two loans with them in the years before the credit card. I have seen insufficient evidence that the repayments on those loans would have led 118 118 Money to want to avoid providing Ms A with further credit. And I don't think the modest new credit when added to the existing borrowing made this credit unreasonable.

And I think there was insufficient evidence from the credit check that was performed for 118 118 Money to think that Ms A was already in financial difficulty. In fact the credit history of Ms A's management of her other credit suggests that she was managing her existing borrowing for the most part.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Ms A to the contrary, I have seen insufficient evidence to think that more thorough affordability checks would have led 118 118 Money to think that the credit it provided Ms A was unreasonable. Further, I'm not persuaded that the way Ms A was managing her previous borrowings with them or what 118 118 Money could see of her management of other credit ought to have prompted them to have acted differently than they did.

I know that Ms A will be disappointed with my decision, but I want Ms A to know that I listened to all the submissions made in this case. But having considered all the submissions in this case, particularly those at the time of the credit and the credit increase, I have not found sufficient evidence to uphold this complaint."

I asked the parties to the complaint to let me have any further representations that they wished me to consider by 29 December 2023. Neither party has acknowledged receiving my provisional decision, made a further submission for me to consider or asked for an extension to do so. And our investigator has told me there are no documents waiting to be placed on the complaint file. I consider that both parties have had time sufficient to have made further representations had they wished to do so. So, 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.

Having considered again all the submissions made in this complaint and given that there's no new information for me to consider following my provisional decision, I have no reason to depart from those findings. And as I've already set out my full reasons for not upholding Ms A's complaint, I have nothing further to add.

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 Ms A to accept or reject my decision before 1 February 2024.

Douglas Sayers
Ombudsman