

The complaint

Mr R complains that TSB Bank plc irresponsibly gave him a credit card account that he couldn't afford.

What happened

On 12 February 2017, Mr R applied for and was given a credit card account with TSB Bank plc. Mr R was given an initial credit limit of £2,800. This credit limit was increased to £3,800 in August 2017. There were no further increases to the credit limit.

In 2022, Mr R complained to TSB Bank plc to say that the account shouldn't have been opened for him because it wasn't affordable and that TSB Bank plc ought to have made a better effort to understand his financial circumstances before increasing his credit.

Our adjudicator didn't recommend the complaint be upheld. Mr R didn't agree. So, the complaint has been passed to me to decide.

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.

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".

TSB Bank plc 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 R's complaint is that TSB Bank plc made credit available that was unaffordable. It is not straightforward trying to determine affordability, especially when I have not been able to look at Mr R's full credit file, which was requested but not provided, or the detail of the credit scoring exercise that TSB Bank plc performed at the time of the lending decisions. TSB Bank plc has explained that it carried out a credit check to determine the amount of credit it was able to offer. It's possible that TSB Bank plc failed to make adequate checks before providing Mr R with credit. But even if that's true, I don't think better enquiries would have caused TSB Bank plc to think the credit was unaffordable.

I say this because Mr R's bank statements show that there was a regular income coming into the home, that was not modest. Mr R's representative has objected to us placing weight on the current account Mr R used, as it was a joint one. But I must come to a decision, with consideration for all the submissions made to me in a case. And in this

case, the current account information does show something of the larger picture that the borrowing fitted into.

The bank statements I have seen suggest that whatever other monthly commitments Mr R may have had for other credit, the total income each month was roughly the same as his monthly expenditure. So, the evidence suggests that, broadly speaking, the current account was being managed. And TSB Bank plc has explained that other than some instances of being overlimit, the credit card account was largely well managed. So, I have seen insufficient evidence in all of this that TSB Bank plc ought to have avoided providing the credit to Mr R, either the initial credit limit or the increased one six months later.

Mr R has told us his finances were in a poorer shape than TSB Bank plc's credit check showed. But I been shown insufficient evidence that better information would have put TSB Bank plc off providing reasonably modest credit on a credit card.

So, having considered all the submissions made in this case, and in the absence of any extra evidence from Mr R to the contrary, I have seen insufficient evidence to think that a more thorough affordability check would have led TSB Bank plc to think that the credit it provided Mr R was unreasonable. Further, I'm not persuaded that what TSB Bank plc could see of his management of the credit it had provided him ought to have prompted it to have acted differently than it did.

I know that Mr R will be disappointed with my decision. But I want Mr R to know that I have considered all the submissions made in this case. Having done so, I have not found sufficient evidence to uphold this complaint.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 14 December 2022.

Douglas Sayers
Ombudsman