

## **The complaint**

Mr H complains that MBNA Limited was irresponsible to lend to him.

## **What happened**

Mr H was approved for a credit card with MBNA on 23 June 2003. The initial credit limit was £500 and, although Mr H requested an increase to £2,000 in June 2004, this was declined. There is no evidence to show the limit was changed from £500 during the lifetime of the card.

Mr H says his income was between £21,000 and £25,000 at the time of the lending and, by 2005, he owed around £60,000 to 11 creditors, excluding a £259,000 mortgage. He says MBNA failed to check whether he could afford to repay the credit and should not have approved the application. Mr H says that, as a result of the irresponsible lending, he has been in a debt management plan since 2006 and his mental health is continues to be affected.

MBNA initially said Mr H's complaint was brought too late but, following our investigator's view that the complaint was one we could look at, it agreed to consider it. However, due to the passage of time, MBNA no longer has its affordability assessment or credit reference data available. It adds that the account was sold in March 2013, having been defaulted in November 2011.

Our investigator did not recommend the complaint should be upheld. She explained that she was unable to determine Mr H's financial circumstances at the time of the lending and therefore could not conclude that MBNA had acted irresponsibly.

Mr H responded to say, in summary, that there was clear evidence that further borrowing was unsustainable given his existing credit commitments, and that MBNA must have carried out insufficient affordability checks.

## **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.

Neither Mr H, nor MBNA, has been able to provide any detailed information about Mr H's financial circumstances at the time of the lending. I accept that Mr H has attempted to estimate his income and expenditure from the time, and I have seen evidence of his pay from April 2001, but I don't have enough information to indicate what MBNA's checks were

likely to have shown, or whether its checks were sufficient. I also don't find it unreasonable that MBNA no longer has this information given the lending was over 20 years ago.

That said, MBNA approved a relatively low credit limit of £500, and even if Mr H's salary had not increased from the £13,500 he was earning in April 2001, his commitment to the card repayments would have been a very small proportion of his income. I accept Mr H had other credit commitments at the time, but he said that neither his credit file, nor his bank statements, would have shown he was struggling in 2003. So, I wouldn't have expected proportionate affordability checks to have given cause for concern about a commitment that was a relatively small percentage of Mr H's income.

In summary, I'm unable to conclude that MBNA lent irresponsibly in the absence of any definitive evidence of Mr H's financial circumstances at the time.

### **My final decision**

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 March 2024.

Amanda Williams  
**Ombudsman**