

The complaint

Mr B complains that Madison CF UK Limited trading as 118 118 Money lent irresponsibly when it approved his credit card application.

What happened

Mr B applied for a 118 118 Money credit card in December 2018. In his application, Mr B said he was living with his parents with no rent and employed with a monthly income of £1,600. 118 118 Money carried out a credit search and found Mr B had missed various payments in the preceding 36 months but none in the previous 12 months. 118 118 Money found Mr B already owed £30,823 in other unsecured debt, including loans he already had with it. The credit file noted Mr B was making monthly repayments of £898 to his existing debts. As I've said above, no recent arrears were noted. And no evidence of County Court Judgements or recent defaults was found either.

118 118 Money applied estimates for Mr B's regular outgoings totalling £490 a month to the application. 118 118 Money says Mr B had an estimated disposable income of £212 after meeting his existing outgoings and £194.50 after making payments to a new credit card with a limit of £250. 118 118 Money approved Mr B's application and issued a credit card with a £250 limit.

Last year, representatives acting on Mr B's behalf complained that 118 118 Money lent irresponsibly when providing four loans and a credit card. 118 118 Money issued a final response but said Mr B had waited too long to complain about some of the loans. 118 118 Money didn't uphold Mr B's complaint about the credit card and said it had carried out the relevant checks before deciding to lend.

An investigator at this service looked at both the complaints about the credit card and loans Mr B had as separate cases. The loan complaint didn't continue after the investigator failed to get responses to information requests that were made about that case. The investigator looked at Mr B's credit card complaint and said they thought 118 118 Money had carried out reasonable and proportionate lending checks before approving his application and didn't agree it lent irresponsibly.

Mr B's representatives asked to appeal and said Mr B was self employed at the time he made his credit card application which meant his income was variable. They also said Mr B had a poor credit history that showed an ongoing pattern of excessive debt. In addition, Mr B's representatives pointed out he owed a high amount of unsecured debt of over £30,000 at the time his application was made. Mr B's representatives added 118 118 Money had failed to verify Mr B's income and used unsupported estimates for his regular outgoings. As Mr B's representatives asked to appeal, his credit card 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.

I should begin by explaining that I'm aware Mr B submitted complaints about his 118 118 Money credit card and loans it also approved to our service. In this decision, I'm only looking at the credit card 118 118 Money approved in December 2018. I'm not looking at the loan complaint which was being dealt with by the same investigator under a different reference. That case closed in January 2025 after a response to the investigator's information request went unanswered. I'm not going to comment on Mr B's complaint about loans 118 118 Money approved in this decision which will solely relate to the credit card complaint.

Before agreeing to lend, the rules say 118 118 Money had to complete reasonable and proportionate checks to ensure Mr B could afford to repay the debt in a sustainable way. These affordability checks needed to be focused on the borrower's circumstances. The nature of what's considered reasonable and proportionate will vary depending on various factors like:

- The amount of credit;
- The total sum repayable and the size of regular repayments;
- The duration of the agreement;
- The costs of the credit; and
- The consumer's individual circumstances.

That means there's no set list of checks a lender must complete. But lenders are required to consider the above points when deciding what's reasonable and proportionate. Lenders may choose to verify a borrower's income or obtain a more detailed picture of their circumstances by reviewing bank statements for example. More information about how we consider irresponsible lending complaints can be found on our website.

I think there were potential grounds for 118 118 Money to have considered carrying out a more detailed set of lending checks before deciding whether to proceed. The information 118 118 Money has provided doesn't show whether it verified Mr B's income. And Mr B also owed a reasonably large amount of unsecured debt at the point of application for his credit card. To that end, I recently asked our investigator to request three months of bank statements covering the period before Mr B's credit card application was made to 118 118 Money. But no request for an extension or response to the investigator's request was received from Mr B's representatives by the deadline given. As a result, I've used the available information already held on file to reach my decision.

I've set out the information 118 118 Money used when assessing Mr B's application 118 118 Money took Mr B's income of £1,600 a month into account and applied estimated outgoings and monthly credit commitments into account. That's an approach 118 118 Money is allowed to take, in line with the rules it operates under. I note some historic missed payments were found on Mr B's credit file but there were none within the preceding 12 months. So whilst I can see Mr B did owe a reasonably large amount in unsecured debt, on balance, I'm satisfied the information on file shows he was maintaining it without signs of financial difficulty.

After applying its lending criteria, 118 118 Money calculated Mr B had a disposable income of £212 a month. Whilst I accept that is reasonably modest, I think it's also fair to say the credit limit 118 118 Money approved was also modest at £250. The low credit limit reduced the impact for financial harm to Mr B by approving a new credit card.

In the absence of further evidence from Mr B, I've relied on the information we already hold on file. And, on balance, I'm satisfied the information shows 118 118 Money carried out reasonable lending checks and fairly approved Mr B's application based on the information it

obtained. I'm very sorry to disappoint Mr B but as I haven't been persuaded that 118 118 Money lent irresponsibly I'm unable to uphold his complaint.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think 118 118 Money lent irresponsibly to Mr B or otherwise treated him unfairly. I haven't seen anything to suggest that Section 140A or anything else would, given the facts of this complaint, lead to a different outcome here.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 July 2025.

Marco Manente
Ombudsman