

## **The complaint**

Mr W complains that MBNA Limited trading as MBNA have irresponsibly lent to him,

## **What happened**

Mr W was approved for an MBNA credit card on 10 November 2004. Due to the time that's passed, it's not clear what his opening credit limit was. MBNA's notes go back to 2006 where his credit limit was £3,300. In January 2010 MBNA reduced the credit limit to £3,000. MBNA says this credit limit wasn't increased after this point, but they had decreased the credit limit in October 2020. Mr W says the credit was irresponsibly lent to him. Mr W made a complaint to MBNA.

MBNA said Mr W complained too late to them for them to consider the merits of his complaint. Mr W brought his complaint to our service. MBNA consented to our service looking at the merits of Mr W's complaint.

Our investigator did not uphold Mr W's complaint. She said she hadn't seen enough to show MBNA made an unfair decision to lend. Mr W asked for an ombudsman to review his complaint.

## **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.

Before agreeing to approve the credit available to Mr W, MBNA needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks MBNA have done and whether I'm persuaded these checks were proportionate.

MBNA said they looked at information provided by Credit Reference Agencies (CRA's) and information that Mr W had provided before approving his application. But information is limited due to the time that's passed. Mr W declared a gross annual income of £13,000. He told MBNA that he was living with parents at the time of his application.

The checks showed that Mr W had a total of £1,299 of unsecured debt at the time of the checks. I do note that the information was showing Mr W had a credit card with a £200 credit limit, but his balance was £202 at the time of the checks. So this could indicate financial difficulty, or it could be an oversight from Mr W.

Due to the time that's passed MBNA don't hold any other data of what the CRA checks showed. So I can't see if Mr W had defaulted in the past on an agreement or had a County Court Judgement registered. I also can't see other information which they may have been given such as any recent arrears on accounts. Therefore I'm not able to say that the checks

they performed prior to the credit card being opened were proportionate or not, or whether they made a fair lending decision here.

But based on Mr W exceeding his credit limit on one of his accounts at the time of the checks, I think it's probable that further checks should have been completed by MBNA to ensure that the opening credit limit would be affordable and sustainable for him.

There's no set way of how MBNA should have made further proportionate checks. One of the things they could have done was to contact Mr W to ask him why he had exceeded his credit limit on an account he held. Or they could have asked for his bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for him.

Our investigator asked Mr W if he could provide his bank statements leading up to this lending decision, as part of a proportionate check that MBNA could have taken based on what their data showed. But Mr W was unable to obtain his statements due to the time that's passed.

So on the face of it, it does look like MBNA should've looked more closely into this. But as my role is impartial, that means I have to be fair to both sides and although I'm satisfied that MBNA should've done more checks here – I can't say whether further checks would've revealed further information which means they wouldn't have lent. So as Mr W hasn't provided me with his bank statements (albeit through no fault of his own), that means that it wouldn't be fair for me to say that MBNA shouldn't have lent here, because I don't know what further checks would reveal.

Ultimately, I simply do not have sufficient evidence to conclude that MBNA did not make a fair lending decision when they approved Mr W's initial application.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 17 June 2025.

Gregory Sloanes  
**Ombudsman**