

The complaint

Mr W complains Santander UK Plc (Santander) acted irresponsibly by agreeing to a credit card account which he said was unaffordable.

In bringing his complaint Mr W is represented by a third party. For ease of reading I will only refer to Mr W in my decision.

What happened

In July 2021 Mr W applied for a credit card with Santander. His application was successful, and Santander issued him with a credit card with a credit limit of £4,100. No further credit limit increases were applied. The credit card was offered with a 0% interest on balance transfers for a set period. Mr W complained to Santander saying they hadn't properly checked whether he could sustain the repayments before they agreed to lend to him.

Santander said they'd used application, credit reference agency (CRA) and statistical data to assess Mr W's affordability before they agreed to the lending. And based on these checks they said the lending decision was fair.

Mr W wasn't happy with Santander's response and referred his complaint to us.

Our investigator said Santander hadn't provided us with sufficient CRA data to show us what they'd seen. Having considered the credit report provided by Mr W alongside the other checks Santander did he said Santander's lending decision was fair.

Mr W didn't agree and asked for an ombudsman 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.

Having done so I'm not upholding this complaint. I appreciate Mr W will be disappointed by my decision. But for me to find Santander must do something different I must first be satisfied that they've done something wrong. I can't see that they have here which is why I won't be asking them to do anything else.

I've considered the relevant rules and guidance on responsible lending set by the regulator, laid out in the consumer credit handbook (CONC). In summary, these say that before Santander offered Mr W a revolving credit facility they needed to complete reasonable and proportionate checks to be satisfied Mr W would be able to repay the debt in a sustainable way.

There isn't a set list of checks a lender must do. But in deciding what was proportionate Santander needed to consider things such as (but not limited to): the amount of credit, the size of any regular payments (taking into consideration the rules and guidance in CONC

relating to assumptions concerning revolving credit), the cost of credit and the consumer's circumstances.

What's important to note is that Santander was providing a revolving credit facility rather than a loan. This means there wasn't a fixed amount to be paid each week/month rather any repayment was calculated on the credit card monthly usage, and any outstanding balance. Santander was approving a credit limit of £4,100. As it was revolving credit while there's no set amount that needed to be repaid each month CONC requires a lender to assume when carrying out their assessment that the entire credit limit is drawn down at the earliest opportunity and repaid in equal instalments over a reasonable period. So, I think Santander could have reasonably assumed Mr W would need to be able to pay a monthly repayment of around £200 to settle the full amount owed within a reasonable time.

CONC requires a lender to take reasonable steps to estimate a consumer's income and outgoings. And to not solely rely on a consumer's declared income but verify this through an independent source or third party. CONC also allows for the use of statistical data in assessing a consumer's outgoings. I've considered the checks Santander did.

Santander said they used application data and cross checked this with a CRA. Mr W stated on his application that he was married with two dependents. He'd an annual income of £34,000, housing costs of £500 and other expenditure of £100. From their checks Santander assessed Mr W as having accommodation costs of £558 and credit commitments of £263. Using statistical data overall Mr W had total commitments of £1,741. And based on these checks Mr W should have had sufficient disposable income to repay the credit lent within a reasonable period.

As Santander has only provided a summary of what they found from their CRA check, I've considered the full credit report Mr W has provided to see what Santander could have seen. From this I can see Mr W had several credit cards and a history of moving credit balances to other credit cards that provided beneficial offers. Which is what he did when applying for the credit card with Santander. The credit card was offered with a 0% balance transfer offer which Mr W used, transferring £3522 from one of his existing credit cards. The remainder of Mr W's credit cards had a zero balance or relatively low usage. So, the amount Santander used in their assessment for Mr W's credit commitments was reasonable and in line with the credit commitments showing on his credit report.

Mr W declared he'd housing costs of £500. I can see he took out a mortgage in August 2020 with a monthly repayment of £782. As Mr W was married it's not unreasonable for a lender to assess Mr W's liability to be 50%, but I can see Santander used Mr W's declared repayment of £500, which I think is reasonable. Mr W was also managing his active credit accounts well as they were up to date. I haven't seen any signs of financial vulnerability. So, I'm satisfied Santander's CRA check was reflective of the data I've seen in Mr W's full credit report.

I don't think that there was anything immediately obvious in the information that Santander had, including Mr W's existing credit, which meant they shouldn't rely on it. So, I don't think Santander needed to have asked Mr W to provide further evidence in support of his expenditure such as bank statements, before providing him with a credit limit in this instance.

I'm satisfied the checks Santander did were reasonable and proportionate and based on these checks Mr W should have had sufficient disposable income to sustain the repayments. Also, Santander in approving the credit meant Mr W was able to transfer credit from an interest-bearing account to a zero interest-bearing account which meant his financial burden was being reduced. So, I'm satisfied Santander lent fairly.

I've also considered whether Santander acted unfairly or unreasonably in some other way given what Mr W has complained about, including whether their relationship with him might have been viewed as unfair by a court under Section 140A Consumer Credit Act 1974. But, for the reasons I've already given, I don't think Santander lent irresponsibly to Mr W or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else, given the facts of this complaint, lead to a different outcome here.

My final decision

I don't 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 10 September 2025.

Anne Scarr
Ombudsman