

## **The complaint**

Mr C complains that JAJA FINANCE LTD's, trading as JaJa Credit Card, decision to issue him with a credit card was irresponsible.

## **What happened**

In May 2024, Mr C applied for a JAJA credit card.

On 17 May 2024, JAJA opened an account and issued Mr C with a credit card and a £1,400 credit limit.

Mr C's account subsequently went into arrears and, in November 2024, he complained to JAJA. He told them he found the credit card unaffordable because, after making each monthly payment, he was left with too little money and found it necessary to borrow.

He also said:

- JAJA *'Should have realised from the number of times I borrowed and multiple loans I had that my debt problems were getting worse. It was not responsible to lend to me. It was clear to see I had multiple payday loans out and did not get then rejected for a credit card. My credit reports would have shown all my other debts and problems. I took out another loan with to pay you. Sometimes I borrowed to pay the rent and then had to top-up to get money for food'*.
- He *'had a gambling problem causing money issues which I have not been able to get under control'*.
- His *'mental health has suffered as with cost of living and bills increasing it has been difficult to stay in work because of this'*.

Mr C requested a refund of the interest and any charges he'd paid, plus statutory interest, and to delete any negative information from his credit record.

However, JAJA couldn't see they had done anything wrong and responded to Mr C's complaint saying they had adhered to correct lending protocols. So, Mr C brought his complaint to our service.

Our investigator thought that JAJA should've done more to check Mr C's committed expenditure. He tried to confirm these with Mr C but didn't receive all the account information he requested. So, based on the available information he was able to analyse, he considered that JAJA's lending decision was fair and reasonable.

As Mr C remains dissatisfied his complaint has been referred to me to look at.

## **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, my decision is not to uphold this complaint, and I'll explain why.

I should first say:

- I'm very sorry to hear about Mr C's financial and mental health difficulties.
- I'll focus on what I think are the important points to reach a final decision. But I've carefully considered all the information on file, even though I don't specifically address them all.
- Where evidence is incomplete or inconclusive, I must reach my decision on the balance of probabilities - in other words, what I consider is most likely to have happened in light of the available evidence and the wider circumstances.

The general approach to complaints about unaffordable and irresponsible lending including the key relevant rules, guidance and good industry practice is set out on this services website.

We've set out our general approach to complaints about short-term lending, including all of the relevant rules, guidance and good industry practice, on our website.

JAJA needed to take reasonable steps to ensure it didn't lend irresponsibly. Rather than approach the application for a credit card from the perspective of the likelihood of getting its money back, they had a responsibility to ensure that the repayments wouldn't cause Mr C undue difficulty or significant adverse consequences.

That meant Mr C should've been able to meet repayments out of his normal income without having to borrow to meet the repayments, without failing to make any other payments he had a contractual or statutory obligation to make and without the repayments having an adverse impact on his financial situation.

JAJA checks also had to be "proportionate" to the specific circumstances of the credit application. In general, what constitutes a proportionate check will depend upon a number of things including – but not limited to – the particular circumstances of the consumer (e.g. financial history, current situation and outlook, and any indications of vulnerability or financial difficulty) and the amount/type/cost of credit.

In light of this, I think that a reasonable and proportionate check ought generally to have been more thorough the lower a customer's income (reflecting that it could be more difficult to make any repayments to credit from a lower level of income)

I kept all of this in mind when looking at everything JAJA considered, to see if their checks were proportionate and, if they were, whether they made a fair decision when approving Mr C's credit card application and a £1,400 limit.

From reviewing the credit report, submitted by Mr C, and the JAJA spreadsheet containing some relevant credit report information, I'm satisfied that JAJA obtained and checked a credit report, together with the income and expenditure Mr C provided.

Although JAJA's spreadsheet confirms that the credit limit Mr C applied for was affordable and none of his accounts were in arrears, I can't be satisfied that JAJA verified Mr C's:

- Declared income of £1,709 per month
- Main expenditure which gave them a disposable income figure of £587 per month

Also, JAJA would've seen Mr C obtained several cash advances, which can be an indicator that he was struggling to manage his finances.

So, I think a reasonable and proportionate check ought generally to have been more thorough here and included checks to verify the data and I can't see that was the case here.

These checks could include questions about monthly income and expenditure (in the months that preceded the credit card application) and verification against bank statements.

I noted that, to consider what income and expenditure information JAJA would've seen had they gathered statements, our investigator repeatedly requested complete information (on all his accounts) from Mr C but he didn't provide it. On 20 June 2025, I gave Mr C a further opportunity to submit this information (and answer a question on his bank account overdraft) with a deadline of 4 July 2025, but I didn't receive a response.

Without this information, it isn't possible for me to determine that JAJA's lending decision was irresponsible.

I recognise Mr C had other bank accounts but from reviewing the statements Mr C did provide I also found these showed income of around £1,550 and committed expenditure of around £320.

Mr C says *'my credit report definitely suggests that no card should have been given when and a £1400 limit judging by previous debts and having 2 overdrafts for 2+ years'*. However, my analysis of his credit report shows that he took out further credit cards, loans, advances and a mortgage after JAJA's lending decision. Also, there appears to have been changes to his overdraft and his payment difficulties to creditors started in late 2024.

I'm very sorry to hear about Mr C's gambling problem. However, based on the available information, I can't see that JAJA would've been made them aware of these issues.

So, I'm sorry to disappoint Mr C but having considered the above and all the information on file, based on the available information, I'm not upholding this complaint against JAJA FINANCE LTD, trading as JAJA Credit Card.

### **My final decision**

My final decision is not to uphold this complaint against JAJA FINANCE LTD trading as Jaja Credit Card.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 15 August 2025.

Paul Douglas  
**Ombudsman**