

The complaint

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

What happened

Mr M applied for a 118 118 Money credit card in December 2021. In his application, Mr M said he was renting his property at £300 a month and was earning £2,960. 118 118 Money carried out a credit search and found Mr M had unsecured debts of around £19,000 with monthly repayments of £1,487. 118 118 Money carried out an affordability assessment and used Mr M's income of £2,960 a month, rent of £321, and estimate of general living expenses of £657 and his existing repayments of £1,487. 118 118 Money calculated Mr M had a disposable income of £494 a month before making his new credit card payment and £410 a month once his new payment was made. 118 118 Money approved Mr M's application and issued a credit card with a limit of £1,200.

More recently, Mr M complained that 118 118 Money lent irresponsibly and it issued a final response. 118 118 Money said it had carried out the relevant lending checks before approving Mr M's application and didn't agree it lent irresponsibly.

An investigator at this service looked at Mr M's complaint. They thought 118 118 Money had completed proportionate checks when considering Mr M's application and that its decision to approve it was reasonable based on the information it obtained. The investigator wasn't persuaded 118 118 Money lent irresponsibly and didn't uphold Mr M's complaint. Mr M asked to appeal, so his 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.

Before agreeing to lend, the rules say 118 118 Money had to complete reasonable and proportionate checks to ensure Mr M 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've set out the information 118 118 Money used when considering Mr M's application above. I can see Mr M gave his income as £2,960 a month and provided a rent figure of £300. 118 118 Money has provided a copy of the credit file results it obtained. That shows no evidence of adverse credit or recent missed payments. I can see Mr M had a reasonably high level of outstanding unsecured credit. But Mr M's payments were up to date and he was using just over half the available credit limits for his existing credit cards.

118 118 Money completed an affordability assessment using a rent figure of £321, an estimate of Mr M's general living expenses of £657 and repayments of £1,487. 118 118 Money reached the view Mr M had £494 a month available before making his new credit card payment and £410 a month if he borrowed the full credit limit of £1,200.

In my view, the information obtained by 118 118 Money showed Mr M was able to sustainably afford repayments to a new credit card with a limit of £1,200. I accept Mr M already had a reasonably high level of unsecured credit but I'm satisfied it was well maintained. 118 118 Money used the income figure Mr M provided and has confirmed it used industry tools to verify it. Mr M's outgoings were also estimated using the same industry tool – an approach it's able to take in line with the relevant lending rules.

Taking all the available information into account, I'm satisfied 118 118 Money completed reasonable and proportionate checks before approving Mr M's application. And I'm satisfied the decision to issue Mr M with a credit card that had a £1,200 limit was reasonable based on the information 118 118 Money obtained. I'm sorry to disappoint Mr M but as I haven't been persuaded 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 M 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 M's complaint.

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

Marco Manente
Ombudsman