

## **The complaint**

Mr R complains that Madison CF UK Limited trading as 118 118 Money was irresponsible in its lending to him. He wants his credit card account to be reworked to remove all interest and charges and for any adverse information to be removed from his credit file.

## **What happened**

Mr R was provided with a credit card account in September 2023 with a credit limit of £800. The credit limit hasn't been increased.

Mr R didn't think that the credit should have been given considering his financial history and the high rate of interest. He said this lending had caused him stress and negatively affected his mental health.

118 118 Money issued a final response to Mr R's complaint dated 4 February 2025. It said that checks were carried out to understand Mr R's employment, income, expenses and other personal circumstances. It used the data provided by Mr R along with information from the credit reference agencies and other third-party data to establish Mr R's income and expenses. It also carried out a credit check which it said showed no new adverse markers. It said its lending decision was reasonable based on Mr R's circumstances at the time.

Mr R referred his complaint to this service.

Our investigator thought the checks carried out before the credit account was provided were reasonable. As these suggested the credit limit given to be affordable for Mr R she didn't uphold this complaint.

Mr R didn't agree with our investigator's view. He said that his income wasn't verified, and his expenses were not checked. He provided a copy of his tenancy agreement which showed his rent as £1,250 but he said it was £1,350 at the time the credit card was provided, but 118 118 Money only included an amount of £417. He said that his credit commitments and other costs were also understated. Mr R believed that signs of his vulnerability were missed and said that while he was made aware of the interest rate this didn't absolve 118 118 Money from ensuring its lending was responsible.

As a resolution hasn't been agreed, this complaint has been passed to me, an ombudsman, to issue 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.

Mr R raised a complaint about both a loan and a credit card provided by 118 118 Money. This decision is about the credit card; the loan complaint has been dealt with separately. Our general approach to complaints about unaffordable or irresponsible lending – including the key rules, guidance and good industry practice – is set out on our website.

The rules don't set out any specific checks which must be completed to assess creditworthiness. But while it is down to the firm to decide what specific checks it wishes to carry out, these should be reasonable and proportionate to the type and amount of credit being provided, the length of the term, the frequency and amount of the repayments, and the total cost of the credit.

Mr R was provided with a credit card account with a £800 limit in September 2023. As part of the application process, Mr R was asked about his employment, income and residential status. Mr R said he was self-employed with a monthly income of £2,313 and was renting. 118 118 Money said that Mr R's income was verified using an industry tool. A credit check was conducted which showed Mr R had several historic defaults (most recent recorded over five years before this application). The more recent data showed he was managing his active credit agreements without any major issues.

Given the size of the credit limit provided and the repayments that would be due on this compared to Mr R's income, I find that the checks carried out were reasonable. However, just because I think the checks were reasonable it doesn't necessarily mean that I think 118 118 Money was right to provide the credit. To assess that I have looked at the information it received before the credit was given to see if this should have raised concerns.

I note Mr R's comment about further checks of his income and expenses but as his income was verified using an industry tool and he was asked about his expenses, I find it reasonable that 118 118 Money relied on the information it received through its checks and the use of the credit reference agency and third-party data. The credit check showed that Mr R had around £20,182 of outstanding debt. The majority of this was accounted for by his defaulted accounts (around £16,397) with only around £3,738 of active balances. Deducting repayments for Mr R's active and defaulted accounts along with the estimates for his housing and other outgoings left him with around £252.77 in disposable income. Noting the amount that would be due on full utilisation of the 118 118 Money credit card, I do not find I can say this appeared unaffordable.

So, while I acknowledge Mr R had historic adverse data recorded, as he appeared to have improved his financial standing and his recent credit data didn't raise any serious concerns, I do not find that his credit history meant the credit card account shouldn't have been provided. As the lending appeared affordable, I do not find I can uphold this complaint.

I've also considered whether 118 118 Money acted unfairly or unreasonably in some other way given what Mr R has complained about, including whether its relationship with Mr R might have been viewed as unfair by a court 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 R or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

## **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 6 November 2025.

Jane Archer  
**Ombudsman**