

The complaint

Mr E complains that Madison CF UK trading as 118 118 Money ("118") irresponsibly lent him a credit card.

What happened

In July 2022 Mr E applied for a credit card with 118. The application was approved, and he was given a credit limit of £1,200. The limit was never increased.

Mr E complained to 118 in March 2025. He said at the time he was already in financial difficulty and they should've looked at his credit file in more detail. He feels they didn't conduct proper affordability checks and as a result, he's been put in further difficulty.

118 responded in April 2025 rejecting the complaint. They said their checks didn't reveal any defaults or significant factors that would indicate a history of poor credit. They felt proportionate checks were conducted and these checks indicated the lending was affordable for Mr E.

Mr E referred his complaint to our service as he didn't agree. An Investigator here looked into things, and they agreed with 118 that checks were proportionate and a fair decision to lend was made.

Because an agreement couldn't be reached, the complaint has been passed to me 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 in agreement with the Investigator. I know this is likely to disappoint Mr E, but I'll explain my reasons why below.

The rules and regulations in place at the time 118 provided Mr E with the credit card required them to carry out a reasonable and proportionate assessment of whether he could afford to repay what he owed in a sustainable manner. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be 'borrower' focused. This means 118 had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mr E. In other words, it wasn't enough for 118 to consider the likelihood of them getting the funds back or whether Mr E's circumstances met their lending criteria – they had to consider if Mr E could sustainably repay the lending being provided to him.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g.

their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether 118 did what was needed before lending to Mr E.

When Mr E applied for the card, 118 gathered information regarding his financial circumstances. It recorded that Mr E was earning a salary of around £1,800 per month and had outstanding monthly credit commitments of around £440. Mr E had no defaults at the time of application although there were some missed payments on other credit cards around ten months prior to this lending. He was paying around £220 towards rent and had around £477 disposable income a month after 118's credit card repayment was taken into account. This was collated using the information Mr E declared at application, and an external credit check.

I believe the checks 118 carried out were proportionate, and considering the amount being provided to Mr E, and the information they gathered in these checks, I don't think they acted unfairly when providing him with the credit card. I say this because it was for a relatively modest amount of £1,200, and there were although there were some signs of financial difficulty in the past, everything in recent months had been much improved. I don't think missed payments alone would be enough to stop Mr E from further lending. It wouldn't be a significant cost for Mr E to repay this credit in a reasonable period of time based on his salary and existing credit commitments.

I accept Mr E's financial position may have been worse than it appeared to 118 at the time of lending, and things may well have worsened after the lending happened. But I can't use hindsight when making a decision here, and at the time there was nothing to suggest to 118 that Mr E may face difficulties repaying this credit card.

In reaching my conclusions, I've also considered whether the lending relationship between 118 and Mr E might have been unfair to Mr E under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that 118 did not lend irresponsibly when providing Mr E with the credit card. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So while it'll likely come as a disappointment to Mr E, I won't be upholding his complaint against 118 for the reasons explained above.

My final decision

It's my final decision that Madison CF UK trading as 118 118 Money didn't treat Mr E unfairly when providing him with a credit card.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 4 September 2025.

Meg Raymond
Ombudsman