

The complaint

Miss H complains that MBNA Limited have irresponsibly lent to her.

Miss H is represented by a claims management company in bringing this complaint. But for ease of reading, I'll refer to any submission and comments they have made as being made by Miss H herself.

What happened

Miss H was approved for a MBNA credit card in January 2020 with a £5,600 credit limit. Miss H says this was irresponsibly lent to her. Miss H made a complaint to MBNA, who did not uphold her complaint. They said Miss H made a balance transfer to another provider, and they can't agree the lending was irresponsible. Miss H brought her complaint to our service.

Our investigator did not uphold Miss H's complaint. He said the checks MBNA completed showed that the repayments were likely affordable for her. Miss H asked for an ombudsman to review the complaint. She said that her total unsecured debt as shown by her credit file was £21,100 in revolving balances (such as credit card/store card/overdraft balances) prior to this account being approved.

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.

I want to be clear to Miss H that the only credit card I'll be reviewing as part of this complaint is the credit card opened by MBNA, which was opened in January 2020 (Miss H can find this account on the credit file she sent our service, on page 60).

I'm aware that Miss H has a complaint about a different credit card that she opened in 2022 (page 5 of the credit file she sent us). A final response letter should have been sent to Miss H about the credit card I'm not reviewing here. If Miss H hasn't received this yet, or she wants our service to consider the merits of the separate complaint, then either Miss H, or her representatives should let our investigator know, so he can progress this.

Before agreeing to approve the credit available to Miss H, MBNA needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks MBNA have done and whether I'm persuaded these checks were proportionate.

MBNA said they looked at information provided by Credit Reference Agencies (CRA's) and information that Miss H had provided before approving her application.

The information showed that Miss H had declared a gross annual income of £34,000. Miss H

has said that she had other debt at the time of £21,100 in revolving balances. But MBNA had been able to calculate Miss H's monthly credit commitments from information from a CRA, and they deducted this figure from her disposable income.

The checks showed that MBNA had used modelling to calculate £478 a month living costs (which was higher than the £350 a month Miss H declared), in addition to the £350 a month housing costs that Miss H declared. So at the end of the affordability assessment, MBNA determined that Miss H had around £987 a month disposable income to meet her MBNA credit card repayments.

The data from the CRA showed that Miss H had no County Court Judgements, no defaults, and she had no accounts in arrears at the point of application (and no arrears in the previous six months). There were no signs from the checks that MBNA completed that Miss H wouldn't be able to sustainably afford the repayments on the credit card she was approved for.

So I'm satisfied that the checks MBNA carried out here, prior to approving the application were proportionate and that MBNA made a fair lending decision to approve Miss H's application for the MBNA account.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that MBNA lent irresponsibly to Miss H or otherwise treated her 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

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 1 September 2025.

Gregory Sloanes
Ombudsman