

The complaint

Mrs T complains that Madison CF UK Limited, trading as 118 118 Money, lent to her irresponsibly.

What happened

Mrs T held a credit card with Madison. It was opened with a £500 credit limit in November 2020; the limit was increased to £1,500 in July 2021, then increased again – to £2,500 – in April 2022.

In 2025, Mrs T complained to Madison; she thought it had lent to her irresponsibly. Madison, though, didn't uphold Mrs T's complaint. It said, in summary, that it had carried out suitable checks, so as to determine Mrs T's ability to repay. Mrs T disagreed, and she referred her complaint to this Service for independent review. An Investigator here considered what had happened; having done so, they didn't recommend the complaint be upheld. The Investigator thought that proportionate checks had been completed at account opening stage, and also when granting the first credit limit increase, and that nothing in the results of those checks suggested any cause for concern.

When the second limit increase had been approved, the Investigator thought Madison ought to have done more to understand Mrs T's wider financial position. Our Investigator asked Mrs T for her bank statements from the time, so as to ascertain what Madison would likely have seen if it had carried out proportionate checks. Having reviewed the statements Mrs T could provide, the Investigator didn't think Madison's decision to lend would've been different. Overall, with all of that in mind, the Investigator didn't think Madison had irresponsibly lent to Mrs T.

Mrs T disagreed, and she asked for an Ombudsman's decision. So, as no agreement has been reached, her 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.

By way of general information, when making a lending decision, Madison needed to make sure that it didn't provide credit irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether any lending was sustainable; Madison had to do so with Mrs T's specific circumstances in mind before providing any credit.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

That said, we might think a lender needed to do more if, for example, a borrower's income was low, or the amount lent was high. Additionally, the longer the lending relationship goes

on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So, we'd expect a lender to be able to show that it didn't continue to lend to a customer irresponsibly.

Here, for each lending decision, I can see Madison carried out the same checks. It gathered details of Mrs T's income and expenditure, it carried out a credit check too, an affordability assessment, and used Credit Reference Agency ("CRA") data to build in Mrs T's existing credit repayments.

Looking first at the account opening, Mrs T was granted a modest limit of £500. The checks Madison carried out showed no recent defaults; no County Court Judgements or Individual Voluntary Arrangements were recorded either. Madison determined that Mrs T had around £350 in disposable income after her expenses, including this credit card, were taken into account. There was record of two historic defaults – the most recent being from 2018 – but, overall, considering the broad picture and modest limit being offered, I'd consider this level of checks to be proportionate. Nothing indicated significant cause for concern and, on that basis, I don't find the initial £500 credit limit to have been irresponsibly provided.

Checks for the first credit limit increase revealed a similar picture. Mrs T's disposable income remained at broadly the same level; nothing in the credit check indicated any recent defaults or other adverse information being recorded elsewhere and, alongside that, Mrs T had been managing her Madison account well and making overpayments. More widely, Mrs T's levels of external debt had decreased – so, with all of that in mind, I don't think Madison needed to go further here and I'm satisfied that the checks were proportionate. Given the results of those checks, with no obvious cause for concern, it follows that I don't consider the credit limit increase to £1,500 to be irresponsible.

By the time of the second credit limit increase, however, the picture had started to change a little. Mrs T's level of external debt had risen, and Madison's income and expenditure assessment revealed a lower amount of disposable income for Mrs T: slightly over £100. While the results of Madison's checks here again didn't show any concerns, I think those two aspects combined ought to have prompted Madison to dig a bit deeper into Mrs T's wider financial position, to ensure she could afford the increase in credit. So, I don't consider the checks it completed here to be proportionate.

There wasn't an obligation for Madison to request Mrs T's current account statements, but I've used them as a means of understanding what further checks – which I think Madison ought to have carried out – would likely have shown. In the months leading up to this credit limit increase, Mrs T's current account shows several incomings and outgoings; typical everyday expenses that one would expect to see, as well as her income, and transfers to and from other accounts which she appears to hold or did hold at the time (for which I don't have any statements).

Broadly speaking, there's no sign of financial stress or difficulty. Mrs T did have several repayments to make to creditors elsewhere, but nothing suggested those accounts were being mismanaged; and in any case, having existing debt elsewhere doesn't automatically mean that Madison shouldn't lend. Mrs T's current account remained in credit balance which was - for the majority of the time – well over the c.£100 Madison had calculated.

Overall then, if Madison had carried out further checks at this point, I think it would've determined that Mrs T was managing broadly well – and that she had sufficient disposable income remaining. On that basis, I can't fairly say it's decision to lend here would've been different if it had carried out further review of Mrs T's circumstances – or that it was irresponsible.

To be clear, I'm not saying that Mrs T wasn't in – or didn't enter – some kind of financial difficulty. It's just that here, in these circumstances, I don't think Madison has lent irresponsibly; that's based on the results of proportionate checks it carried out, *and* what it likely would've seen had it dug deeper into Mrs T's financial position.

Finally, 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 don't think Madison lent irresponsibly to Mrs T 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

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 9 September 2025.

Simon Louth
Ombudsman