

Complaint

Miss B has complained about a credit card Jaja Finance Ltd (“Jaja”) provided to her. She says the credit card was irresponsibly provided as the credit she already had meant that any further credit was unaffordable for her.

Background

Jaja provided Miss B with a credit card with a limit of £2,300.00 in October 2024. The limit on the credit card was never increased.

One of our investigators reviewed what Miss B and Jaja had told us. And she thought Jaja hadn’t done anything wrong or treated Miss B unfairly in relation to providing the credit card. So she didn’t recommend that Miss B’s complaint be upheld.

Miss B disagreed and asked for an ombudsman to look at the complaint.

My findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

We’ve explained how we handle complaints about unaffordable and irresponsible lending on our website. And I’ve used this approach to help me decide Miss B’s complaint.

Having carefully considered everything, I’ve decided not to uphold Miss B’s complaint. I’ll explain why in a little more detail.

Jaja needed to make sure it didn’t lend irresponsibly. In practice, what this means is Jaja needed to carry out proportionate checks to be able to understand whether Miss B could afford to repay any credit it provided.

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 it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And 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.

Jaja says it initially agreed to Miss B’s application after it obtained information on her income and also carried out a credit search on her. And the information obtained indicated that Miss B would be able to make the monthly repayments due for this credit card. On the other hand, Miss B says that she shouldn’t have been lent to as she was in a poor financial position.

I've considered what the parties have said.

What's important to note is that Miss B was provided with a revolving credit facility rather than a loan. This means that Jaja was required to understand whether a credit limit of £2,300.00 could be repaid within a reasonable period of time. And I think it's fair to say that a credit limit of £2,300.00 didn't require especially high monthly payments in order to clear the full amount that could be owed within a reasonable period of time.

I've seen records of the information Jaja obtained from Miss B about her income and what was on the credit search carried out. Jaja says that Miss B declared an annual salary of £56,000.00. I accept that Miss B's salary in itself doesn't mean that this credit card was affordable for her.

Nonetheless, the credit search that Jaja carried out indicated that Miss B didn't have any significant adverse information – such as defaulted accounts or county court judgments - recorded against her. So I don't think that there was anything in the information gathered that ought to have led Jaja to question Miss B's declaration, or ask her for additional information to demonstrate that her income was as she'd declared.

I note that Miss B has referred to a late payment which she's seen on her full credit file. I don't know if Jaja saw this as the account in question had been brought up to date by the time of Miss B's application. In any event, I don't think that a single late payment - particularly where the account was quickly brought up to date – is in itself categorically shows that a customer is experiencing difficulty, or that they shouldn't be lent to. Indeed, there is no prohibition on lending in such circumstances in the regulator's rules.

For the sake of completeness, I would also add that I'm not persuaded that Jaja doing more is likely to have seen it making a different decision on lending to Miss B in this instance. I say this because at the absolute most, it could be argued that Jaja perhaps ought to have had an understanding of Miss B's actual committed regular living expenses, rather than relying on statistical data.

However, I've not seen anything that shows me that when Miss B's committed regular living expenses and other non-credit related non-discretionary expenditure are added to the credit commitments Jaja knew about and then deducted from her income each month, she did not have the funds to make sustainable repayments to the balance that could have been owed as a result of having her two Jaja cards.

Equally given the circumstances here, I don't think that reasonable and proportionate checks would have extended into obtaining bank statements – especially as bank statements weren't the only way that Jaja could find out about Miss B's living expenses in the first place.

In my view, delving into the detail of Miss B's statements isn't commensurate with a proportionate check for a credit card with a limit of £2,300.00. Crucially, I'm satisfied that Jaja taking further steps to find out more about Miss B's living expenses won't have led it to determine that the possible repayments on this card were unaffordable for Miss B. So I don't think that Jaja acted unfairly when it accepted her application.

In reaching my conclusions, I've also considered whether the lending relationship between Jaja and Miss B might have been unfair to Miss B under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I've not been persuaded that Jaja irresponsibly lent to Miss B or otherwise treated her unfairly in relation to this matter. And I haven't seen

anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

Overall and having considered everything, while I can understand Miss B's sentiments and I'm sorry to hear about her situation, I'm satisfied that Jaja carried out proportionate checks before providing this credit card to Miss B. Furthermore and in any event, I'm not persuaded that Jaja doing more here would have resulted in it making a different decision on lending to Miss B.

As this is the case, I don't think that Jaja treated Miss B unfairly or unreasonably and I'm not upholding this complaint. I appreciate this will be very disappointing for Miss B. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 25 November 2025.

Jeshen Narayanan
Ombudsman