

## **The complaint**

Miss G complains that Lloyds Bank Plc trading as MBNA (MBNA) acted unfairly in approving a credit card and subsequent credit limit increases.

## **What happened**

In 2002 Miss G applied for a credit card with MBNA. Her application was successful. In 2003 Miss G's credit limit was increased to £5,000, and further to £5,500 in December 2003. Miss G's credit card statements show by November 2010 her credit limit was £12,900. And in 2014 it was increased to £16,100. Miss G complained to MBNA saying they hadn't properly checked the affordability of the lending before they'd increased her credit limit.

MBNA said they'd limited information about what happened on account opening and subsequent credit limit increase due to the time that had passed. But based on the evidence they had they didn't uphold Miss G's complaint as they hadn't seen anything to show the lending wasn't affordable.

Miss G wasn't happy with MBNA's response and referred her complaint to us.

Miss G brought her complaint to us outside of the usual timeframe for doing so. But MBNA has consented to us looking at her complaint. Our investigator said based on the evidence they had they couldn't say MBNA had acted unfairly.

Miss G didn't agree and asked for an ombudsman 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.

Firstly, the lending events Miss G is complaining about happened more than 10 to 23 years ago. And in considering her complaint I must consider the relevant rules and guidance applicable at the times of the lending events. It wouldn't be fair to apply today's regulations and guidance for something that wasn't applicable at the time.

Also, where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities - in other words, what I consider is most likely to have happened considering the available evidence and the wider circumstances.

The rules, regulations and good industry practice in place at the time the credit was approved required MBNA to carry out a proportionate and borrower-focused assessment of whether Miss G could afford the repayments. This assessment also had to consider whether the credit could be repaid sustainably. So, MBNA had to satisfy themselves that making payments to the credit wouldn't cause undue difficulty or adverse consequences. In other words, it wasn't enough to simply think about the likelihood of her making payments, they had to consider the impact of the repayments on Miss G.

Here, we're limited in terms of the level of investigation we can complete due to the passage of time. Miss G first applied for a credit card with MBNA sometime in 2002 and there is limited information that remains from that time. MBNA said they would have used application and credit reference agency (CRA) data to assess Miss G's credit worthiness but there's no evidence available to show the checks they did in approving Miss G's credit card application. But MBNA has shown Miss G declared she was in employment with an annual salary of £19,500.

I don't draw any adverse conclusions from MBNA's inability to provide me with the details of their checks. Businesses aren't obliged to retain information indefinitely and I'm satisfied that MBNA no longer has evidence to show the lending checks they did. But without that information it would be difficult to fairly conclude that the checks they did were proportionate. Where we don't consider checks were proportionate, we'd look to gather evidence to be able to see what MBNA should have seen at the time of each lending event.

Our investigator asked Miss G to provide her bank statements for the months leading up to each lending event. But again, given the time that has elapsed the information Miss G has is limited. She has provided credit reports from 2006 and 2014. I appreciate Miss G feels the decision to approve her application in 2002 and the credit limit increase around December 2003 to £5,500 was irresponsible. But the evidence available that predates 2006 is very limited.

While I can see from this report that Miss G had several credit cards, I can also see a pattern where a credit card was opened but settled within a few months or remained active with little use. This report showed Miss G had available credit of £21,400 of which she'd used £4,147 about 20%. I haven't seen any evidence such as registered defaults or county court judgments (CCJ) on Miss G's credit report to indicate she was financially vulnerable.

The report shows, although after the lending complained about, that Miss G in 2005 took out a mortgage for around £103,000 that she was managing well with no missed or late payments. Without evidence to clearly show Miss G's circumstances at the time, of the initial opening and credit limit increases around 2003 I'm unable to conclude MBNA, on the available evidence, lent irresponsibly. I say this as I haven't seen any evidence to show Miss G wouldn't be able to sustain the repayments or that she would have been adversely impacted. And I think as she was able to obtain a mortgage a couple of years later, where the standard of affordability checks is more rigid, would support Miss G's credit worthiness.

Evidence from Miss G's MBNA credit card statements show her credit limit by November 2010 (the oldest available statement) was now £12,900. I can also see from this statement that she'd promotional rates of zero interest for balance and money transfers.

From Miss G's credit report from 2014 I can see Miss G hadn't used her MBNA credit card from January 2010 (the start of the record held on the report) until February 2012, after which she'd repaid any small outstanding balances until November 2013. MBNA has said around this time Miss G had used the credit card for a balance and money transfer utilising a promotional zero interest rate. And she'd repaid £8,194 in November 2014 when the promotional offer was ending. Miss G's MBNA statement for April 2016 shows her credit limit was now £16,100, I can see she'd again used zero interest promotional rates as there is evidence of a balance transfer of around £2,300. And I can see further balance transfers being made in February and March 2016.

From Miss G's 2014 credit report she'd a mortgage from 2006 for around £180,000, with no late or missed payments. And I can see a similar pattern to her earlier credit report where she'd several credit cards and a couple of mail order accounts that had either been settled or were active with little use. Again, I haven't seen any signs of financial vulnerability. Miss G

has referred to one of her credit cards having a substantial balance. I can see from the credit report that Miss G acquired the credit card in 2012. But at the time of the report the credit card had a negative balance of £31, after Miss G transferred £8,855 (which exceeded the outstanding balance) to her MBNA credit card utilising a balance transfer zero interest rate promotional offer around October 2013.

I think it's fair to say that MBNA for the credit limit increases would have most likely taken Miss G's ongoing payment history into account along with information on her credit file when increasing the credit limit. I think the account history available shows Miss G managed the credit card in line with the terms. Miss G's utilisation of her MBNA credit card was generally low until she took advantage of any promotional zero interest rate offers to reduce her financial burden from other lending products. I think this is supported by the pattern of credit card use shown on other lending products on both Miss G's credit reports.

I understand my decision will disappoint Miss G. But based on the limited evidence I have I can't say MBNA acted unfairly. I say this as from the evidence I've seen I think Miss G was managing her credit card commitments with the use of promotional offers, presumably transferring monies from higher interest-bearing accounts to zero interest accounts thereby reducing her monthly outgoings. And seemed to be managing her other credit commitments well, including her mortgage with no signs of financial vulnerability. There weren't any defaults or CCJ's registered on either credit report.

I can see from MBNA's records that Miss G told them her circumstances had changed around August 2023. So, I think its more likely that Miss G's financial circumstances changed causing her struggles with her repayments rather than the lending being unaffordable at the time it was lent.

So, taking the above into account I haven't been persuaded MBNA lent irresponsibly when they approved the credit card and later credit limit increases as by utilising the promotional offers Miss G most likely reduced her monthly financial burden. And I think her credit reports showed she was managing her active accounts well.

Miss G has also said MBNA changed the terms and conditions during the lending relationship. But a lender is within their right to change the terms and conditions of the account provided notice is given. I've been given no reason to doubt that MBNA appropriately informed Miss G about any changes.

I've also considered whether MBNA acted unfairly or unreasonably in some other way given what Miss G has complained about, including whether their relationship with her might have been viewed as unfair by a court under Section 140A Consumer Credit Act 1974. But for the reasons I've already given, I don't think MBNA lent irresponsibly to Miss G or otherwise treated her unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 27 October 2025.

Anne Scarr  
**Ombudsman**