

The complaint

Mr M complains that JAJA FINANCE LTD trading as Jaja Credit Card irresponsibly lent to him.

What happened

Mr M was approved for a Jaja credit card in August 2024, with a £1,800 credit limit. Mr M says that Jaja irresponsibly lent to him, and he made a complaint to Jaja, who did not uphold his complaint. They said they were satisfied that all of the correct lending protocols were adhered to. Mr M brought his complaint to our service.

Our investigator did not uphold Mr M's complaint. She said Jaja's checks were proportionate, and they made a fair lending decision. Mr M asked for an ombudsman to review his complaint. He made a number of points. In summary, he said that he didn't have £14,201 of unsecured debt as he had nearly £50,000 of unsecured debt that his credit file would have shown, and he was constantly in his overdraft. He said he had made payments to himself using his other credit cards, and he needed to sell personal possessions.

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.

Before agreeing to approve the credit available to Mr M, Jaja needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. 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 Jaja have done and whether I'm persuaded these checks were proportionate.

I've looked at what checks Jaja said they did when initially approving Mr M's credit card. Jaja said they looked at information provided by Credit Reference Agencies (CRA's) and information that Mr M had provided before approving his application.

The information showed that Mr M had declared a gross annual salary of £49,500. Mr M had active accounts showing from the CRA's, and the total amount of external unsecured revolving debt (such as credit cards/store cards/overdrafts etc) being reported by the CRA was £14,201.

I must make it clear that the £14,201 figure did not include active external non-revolving debt (such as personal loans/hire purchase agreements). And I have reached out to Jaja to confirm that is correct. The reason why the debt for the revolving debt and the non-revolving debt is not grouped together is because the CRA would be able to report Mr M's fixed monthly repayments for his non-revolving credit, whereas they took 5% of Mr M's active revolving debt to include a sustainable repayment in the affordability assessment calculations they completed.

Jaja have said they used modelling to help calculate Mr M's affordability. This is an industry standard way of calculating affordability. So they included living expenses, they had Mr M's rental monthly payment, and the information from the CRA's about how much Mr M would pay towards his monthly credit commitment (both revolving, and non-revolving agreements). The affordability assessment showed that Mr M would comfortably be able to make sustainable and affordable repayments for the £1,800 credit limit.

The checks from the CRA showed Mr M wasn't in any arrears on his accounts at the time of the checks, and the CRA reported the number of accounts Mr M had at the time of his application. Mr M wasn't in any arrears on his accounts in the six months prior to the checks. The checks also showed there were no defaults, County Court Judgements, or active repayment plans in place.

So I'm persuaded that Jaja's checks were proportionate, and that they made a fair lending decision to approve Mr M's application. Based on their checks, I'm not persuaded that it would have been proportionate for them to carry out further checks such as validating bank account statements, as the information they had showed little sign that the credit limit would be unaffordable or unsustainable for him.

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 Jaja lent irresponsibly to Mr M or otherwise treated him 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 Mr M to accept or reject my decision before 26 December 2025.

Gregory Sloanes
Ombudsman