

The complaint

Miss V complains that Sainsburys Bank Plc trading as Sainsburys Bank lent to her irresponsibly.

What happened

In October 2020 Miss V applied for a credit card with Sainsburys Bank. The application was approved, and Miss V was given a credit card with an initial credit limit of £5000. The card had an interest free promotion on balance transfers for 10 months and purchases for 3 months. Miss V completed a balance transfer of £2,851.00.

Miss V complained that Sainsburys Bank had lent to her irresponsibly. She said she'd been in substantial debt since taking out the card and she wanted a refund of all interest and charges applied to the account.

Sainsburys Bank didn't uphold the complaint. In its final response it said it had carried out reasonable and proportionate checks when it approved Miss V's application for credit.

Miss V remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. They said that Sainsburys had completed proportionate checks before approving the credit card and that the lending decision was fair.

Miss V didn't agree. She said that Sainsburys Banks assessment of her disposable income at the time of opening the account was incorrect. She also said shed missed payments on other credit accounts prior to applying for the card with Sainsburys Bank and had become reliant on balance transfers. Miss V said she'd asked Sainsburys Bank to freeze interest in 2021 due to her worsening financial circumstances but her request for help had been ignored.

Because Miss V didn't agree I've been asked to review the complaint.

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.

We've set out our approach to complaints about irresponsible and unaffordable lending including the relevant rules, guidance and good industry practice on our website. I've had this approach in mind when considering Miss V's complaint.

Having done so, I've reached the same conclusion as the investigator. I don't think Sainsburys Bank lent irresponsibly. I'll explain why.

Sainsburys Bank needed to take reasonable steps to ensure that it didn't lend irresponsibly. This means it should've carried out reasonable and proportionate checks to make sure that Miss V could afford to repay what she was being lent in a sustainable manner. There's no set list of checks that a lender has to carry out, but the checks should typically take into account

how much was being lent, the repayment amount, the borrowing history and income and expenditure.

Sainsburys Bank has provided details of the checks it carried out before approving Miss V's application for the credit card in October 2020. It says that the checks showed it was reasonable to lend to Miss V.

I can see from the checks that Sainsburys Bank used the information it already held about Miss V's income, which she stated as £32,000 per year or £2128.00 net per month.

Sainsburys Bank obtained information about Miss V's outgoings. It found that she had monthly expenses of £560 and monthly housing costs of £400, as well as £116 per month for existing credit commitments. Using the information it had obtained, Sainsburys Bank calculated that Miss V had monthly disposable income of £1051.00.

Sainsburys Bank also carried out a credit check using a credit reference agency. This showed that Miss V had no outstanding arrears or defaults, no county court judgments and no pay day loans.

Based on what I've seen, I'm satisfied that Sainsburys Bank carried out reasonable and proportionate checks before approving the credit application.

I've gone on to consider whether the lending decision was fair.

Looking at the credit checks that Sainsburys Bank carried out before approving the application, I haven't seen anything to suggest that the credit wasn't likely to be sustainably affordable for Miss V. The credit checks showed that Miss V was managing her other credit accounts well and there was no information to suggest that Miss V was struggling to make repayments or that she was in financial difficulties.

I've reviewed the income and expenditure assessment. Sainsburys Bank calculated Miss V's disposable income as £1051 per month. This was more than sufficient to allow Miss V to repay the credit card, even if she utilised the whole credit limit of £5000. Based on what I've seen, there was no information to suggest that the credit wasn't affordable for Miss V.

Miss V utilised the balance transfer feature on the credit card and made a balance transfer of £2,851.00. There was an interest free promotion for 10 months on balance transfers. This meant that Miss V reduced her overall indebtedness when she made the balance transfer.

I appreciate that Miss V has said that the income and expenditure assessment carried out by Sainsburys Bank wasn't accurate. She's provided some alternative figures and has said that her monthly disposable income was around £350. I've taken what Miss V has said into account. However, when this service looks at whether a lending decision is fair, we look at the information that was available to the lender at the time of the credit application. In this case, the information available to Sainsburys Bank in October 2020 showed that Miss V had monthly disposable income of £1,168. If the credit limit had been fully utilised on the credit card the maximum repayments would've been £180 per month. This would've reduced Miss V's disposable income to £988 per month.

Miss V has also said that she had missed payments on other accounts. However, the information obtained by Sainsburys Bank from the credit reference agencies didn't show any outstanding arrears or defaults.

Taking all the available information into account, I'm satisfied that Miss V appeared to have sufficient monthly disposable income to sustainably afford the credit card repayments. I think

Sainsburys Bank made a fair lending decision.

I've also considered whether Sainsburys Bank acted unfairly or unreasonably in some other way, including whether the relationship might have been unfair under section 140A Consumer Credit Act 1974. But for the reasons I've explained above, I don't think Sainsburys Bank acted unfairly or unreasonably.

I appreciate that Miss V doesn't believe that Sainsburys Bank did enough to help her when she was in financial difficulty. She says she asked for interest to be frozen. I've reviewed the account and I can see that between February 2022 and November 2022 Miss V was paying £75 per month and interest was frozen. This suggests that Sainsburys Bank had responded sympathetically to Miss V and had set up a payment plan and frozen interest.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 26 November 2025.

Emma Davy
Ombudsman