

The complaint

Mr F complains Sainsbury's Bank Plc failed to carry out sufficient checks before providing him with a credit card and subsequently increasing his limit. He says had they carried out enough checks they ought to have known the borrowing wouldn't have been affordable nor sustainable.

What happened

Mr F complains about the lending decisions below:

Date	Lending decision	Credit limit
February 2021	Account opening	£9,000
November 2021	Credit limit increase	£9,800

After looking into Mr F's concerns, Sainsbury's Bank didn't uphold his complaint. They were satisfied they carried out sufficient checks – and that those checks showed the lending was affordable. Mr F remained unhappy, so brought his complaint to our service.

Our Investigator didn't agree Sainsbury's Bank checks were reasonable and proportionate. But had Sainsbury's Bank carried out further checks, our Investigator felt these would have shown the credit card and limit increase were affordable. In turn they didn't uphold Mr F's complaint.

Mr F disagreed with our Investigator, so his complaint was passed to me for a final decision.

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.

Having considered everything, I'm not upholding Mr F's complaint. I know this isn't the answer he hoped for, but I'll explain my reasoning below.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. This is something Sainsbury's Bank is familiar with, and I've used this approach to help me decide Mr F's complaint.

Sainsbury's Bank approved Mr F's application for a credit card after reviewing information he declared in his application about his income and housing costs. They based his expenditure on Office of National Statistics (ONS) data and also considered information provided by credit reference agencies (CRAs).

Based on the checks carried out, Sainsbury's Bank calculated that Mr F had sufficient disposable income to afford the credit card. And as there was no adverse information such as bankruptcy, County Court Judgments or late payments being reported by CRAs, they concluded the borrowing would be sustainable.

While I agree the checks carried out by Sainsbury's Bank suggested the borrowing was affordable and sustainable, I'm not persuaded they were reasonable and proportionate given the £9,000 credit limit offered and Mr F's declared income of £29,000. As such, I consider further checks should have been carried out before agreeing to lend.

There isn't a set list of checks Sainsbury's Bank needed to carry out, but at the very least, I think they ought to have taken steps to have a better understanding of Mr F's income and expenditure. To determine what those checks were likely to have shown, I've reviewed Mr F's statements for the three months prior to February 2021. I've also taken on board that Mr F told us his wife contributed to half of the household bills each month.

Having reviewed Mr F's statements, I agree with our Investigator that had Sainsbury's Bank asked further questions, they likely would have still determined he had sufficient disposable income after making payments towards the credit card. And given the information reported by CRAs showed he was managing his accounts well, I'm satisfied it would have been fair and reasonable to approve Mr F's credit card application in February 2021.

I've also considered the credit limit increase in November 2021. And for the same reasons as above, I consider additional checks should have been carried out before Sainsbury's Bank could conclude additional borrowing was affordable and unlikely to cause Mr F harm.

I've reviewed Mr F's bank statements for the three months prior to November 2021 and again taken into account the fact his wife contributed to half the household bills. Again, additional checks likely would have shown Mr F had enough disposable income after essential spending and his credit card payments. I've not seen anything to indicate Mr F was experiencing financial difficulties or becoming reliant on credit, so I also think Sainsbury's Bank treated him fairly when they increased his credit limit.

I appreciate Mr F struggled with repayments after his credit limit was increased, however, Sainsbury's Bank had to base their lending decisions on the information available at the time. And I'm not persuaded this information would have suggested Mr F was likely to struggle with the credit card. So, while I am sorry to see Mr F subsequently experienced financial difficulties, this doesn't outweigh what Sainsbury's Bank would have considered in February and November 2021.

Sainsbury's Bank's final response letter explained Mr F could speak with their financial difficulties team if he's struggling with his repayments. This was the right thing to do so that they could discuss with Mr F the ways they may be able to support him.

Given the above, I'm not upholding Mr F's complaint. So, I won't be asking Sainsbury's Bank to do anything further to resolve this complaint.

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 Sainsbury's Bank lent irresponsibly to Mr F or otherwise treated him 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

My final decision is that I'm not upholding Mr F's complaint about Sainsbury's Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 10 December 2025.

Sarrah Turay
Ombudsman