

The complaint

Mr B has complained about a credit card NATIONAL WESTMINSTER BANK PUBLIC LIMITED COMPANY trading as Sainsbury's Bank ("Sainsbury's Bank") provided to him. He says the credit card was not affordable for him.

What happened

Sainsbury's Bank provided Mr B with a credit card with a limit of £9,000 in September 2020 and the credit limit hasn't changed. Mr B entered a Debt Arrangement Scheme in March 2025.

Sainsbury's Bank didn't uphold the complaint and so Mr B referred the complaint to the Financial Ombudsman Service.

After the jurisdiction issue was resolved by an Ombudsman colleague an Investigator then reviewed the merits of the complaint and they didn't uphold it. He concluded given the credit limit it would've been proportionate for Sainsbury's Bank to have verified Mr B's income. Had Sainsbury's Bank checked Mr B's income it would've seen the amount it had calculated was broadly accurate and so it still would've lent.

Mr B disagreed saying in summary

- He agrees the checks weren't proportionate and says the credit shouldn't have been extended.
- Mr B provided copies of two other assessments by other Investigators at the Financial Ombudsman Service showing his other lending complaints have been upheld.
- Mr B has sent to us a copy of an upheld final response letter from another business about a lending decision taken in 2019.
- In the preceding 14 months Mr B says he had opened 6 new revolving credit products.
- Mr B provided further details of his opened accounts including details of his active loans and other credit cards. Which showed his total debt and repayments were greater than Sainsbury's Bank was aware of. With his overdraft and the Sainsbury's Bank credit card limit he increased his overall potential indebtedness to nearly £30,000.

The Investigator explained why these comments didn't change their mind about the outcome that was reached. The complaint has been passed to me 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.

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 Mr B's complaint.

Sainsbury's Bank needed to make sure it didn't lend irresponsibly. In practice, what this means is Sainsbury's Bank needed to carry out proportionate checks to be able to understand whether Mr 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 becomes 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.

Firstly, I've considered the other assessments Mr B received from another Investigator as well as other responses from lenders explaining the refund that they will be making. Mr B has shown these complaints have been upheld in his favour and so the inference Mr B is drawing is that because the other complaints have been upheld for unaffordable lending that it therefore follows this complaint should also be upheld.

But my role is to consider the individual circumstances of the complaint taking account of any relevant law and regulation. What that does mean is that there are times when what appear to be similar circumstances can lead to different outcomes depending on the type and nature of the borrowing and the types of check(s) any lender may have carried out and what those checks showed.

In short, another Investigator's assessment or a lender's assessment of the complaint doesn't set a precedent that I'm bound to follow. I'm satisfied in this case, I've fully considered the information Mr B gave to Sainsbury's Bank as well as the checks it conducted and what those checks showed.

It is also worth saying that based on the other assessment Mr B has provided one of the loans that were upheld was taken *after* the granting of this credit card and so Sainsbury's Bank couldn't have known about it.

In relation to the other credit card complaint he's provided the assessment for, the lender at the time wasn't able to provide any further information about the checks that had been carried out. Whereas here, Sainsbury's Bank has been able to demonstrate the results of its checks that were conducted. So even if I were to look at the other complaints more closely, it does seem that the circumstances aren't the same as this complaint.

Before Sainsbury's Bank approved the card it asked Mr B what his annual income was, and he declared it was £27,000 per year. Sainsbury's Bank then went about working that out into a net monthly figure and it said this came to around £1,850 per month. But Sainsbury's Bank has confirmed it took no steps to verify or cross check this information at the time.

Sainsbury's Bank then conducted a credit search, and it has provided a summary of the results. It's worth saying here that Sainsbury's Bank didn't have to conduct a credit search let alone one to a specific standard. And the check that it conducted may not show all the information which Mr B is able to view in the credit report he has provided.

There are a number of factors that determine that such as Sainsbury's Bank may have potentially only asked for certain pieces of information - such as the total amount of debt. It

wasn't required for example to provide a breakdown of all accounts that had been opened within a specific time frame.

In addition, newly opened accounts may not yet appear in the credit search results. I only mention this point because Mr B provided a breakdown of his existing creditors at the time and I can see that some of the credit cards were opened only a matter of weeks before this Sainsbury's Bank credit card. As such it's highly likely, given the reporting lag that can occur, that some or all of the recently reported accounts were unknown to Sainsbury's Bank.

Sainsbury's Bank in my view was entitled to rely on the information provided by the credit reference agency because it didn't have anything else to contradict what it was told. So, while Mr B has provided a fuller breakdown of his actual financial position at the time the card was approved, I'm still nonetheless satisfied that it was reasonable and proportionate for Sainsbury's Bank to have relied on the information it was given by the credit reference agencies.

Sainsbury's Bank was told Mr B's existing debt at the time was £13,350. Sainsbury's Bank was told there had been no County Court Judgements recorded within the last three years and there had been no defaults recorded within the last year. There wasn't anything from the credit report to have made raised any concerns that the proposed credit limit was likely to be either unaffordable or that Mr B was already having wider financial difficulties.

Finally, Sainsbury's Bank went about modelling Mr B's likely living costs taking into account the declared income and the payments he was already making to his existing credit commitments – including his mortgage.

It worked out Mr B's likely living costs using data obtained from the Office of National Statistics. The regulations at the time permitted the use of such data as long as there were no grounds to believe Mr B's expenditure was greater than the statistics show – and I've seen nothing to suggest otherwise.

So, I do think that Sainsbury's Bank using statistical data was reasonable, and its conclusions were taking account of the mortgage payment of £414 was that the credit card with a limit of £9,000 was affordable for Mr B.

Given the credit limit and the fact that Mr B's limit was starting at £9,000 I do think it was proportionate for Sainsbury's Bank to have relied on the statistical data is used for his living costs as well as the credit file data to work out his likely existing credit commitments. But I do think Sainsbury's Bank ought to have taken some further steps to check whether the income figure he had declared was accurate (or not).

As Sainsbury's Bank didn't obtain this information, I've considered the information Mr B has provided with a view to deciding what it might have found out about Mr B's income. To be clear this isn't the same as asking Mr B for his bank statements, as given the amounts involved here, I don't think that asking for this information would have been proportionate in the circumstances.

I've only used the bank statements provided by Mr B as this is the most convenient way of working out Mr B's income was at the time. But Sainsbury's Bank could've requested payslips or used one of the widely used cross checking tools provided by the credit reference agencies.

Having carefully thought about matters, I don't think that Sainsbury's Bank would have made a different decision, when offering the credit card, even if it had asked Mr B for more information.

Mr B has provided some bank statements but the ones containing his salary only start from August 2020 – and so I can see in the month before the agreement started, he received £1,904. In both September and October 2020 Mr B received more than £2,000 per month.

So, had Sainsbury's Bank undertaken any form of cross checking into Mr B's income either by the way of obtaining bank statements, a payslip or using one of the widely used industry tools it would've seen that the amount it had calculated was broadly accurate. And the amount of income Sainsbury's had used for the assessment showed the credit was likely to be affordable.

Overall and having considered everything, I don't think that Sainsbury's Bank treated Mr B unfairly or unreasonably when it approved the credit card in September 2020 and I'm therefore not upholding 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 B 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

For the reasons I've explained above I am not upholding Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 February 2026.

Robert Walker
Ombudsman