

## **The complaint**

Ms W, through her representative, complains that GRATTAN PUBLIC LIMITED COMPANY trading as Lookagain.co.uk ('Grattan') lent irresponsibly to her when it approved a credit account which she says she could not afford to repay.

## **What happened**

Ms W applied for an account to use with Grattan's on-line store in May 2020. The credit limit approved was £200 and remains open and at that limit still. Grattan has said that the account was well maintained from 2020 and there's no history of any late repayments. But it's also told us recently that as no payments have been received since January 2025, the account is about to be defaulted and sold.

Ms W complained, received Grattan's response and the complaint has been reviewed by two investigators at the Financial Ombudsman Service. Grattan has asked that it be reviewed by an Ombudsman as it disagrees with the uphold outcome.

The unresolved complaint was passed to me to be decided, and I looked at the complaint afresh. On 12 November 2025 I issued a provisional decision giving reasons why I considered the £200 credit limit account had been approved responsibly. That is duplicated here.

### **What I provisionally decided on 12 November 2025 – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Our approach to unaffordable/irresponsible lending - including all the relevant rules, guidance, and good industry practice - is set out on our website and I have followed it here.

Grattan is required to lend responsibly. It needed to conduct checks to be reasonably sure that the credit it was giving to Ms W was affordable and sustainable. Such checks needed to be proportionate to things like the credit limit it offered Ms W, how much she had to repay (including interest and charges) each month, her borrowing history with it (if applicable) and what Grattan knew about her circumstances.

I am not being asked, or expected, to stand in the shoes of the Grattan assessors when the credit account was approved and act as a lender: I am resolving a complaint about whether the approach taken by Grattan was reasonable and proportionate. And if so, did it make a fair lending decision based on the results of its checks; and if not, what better checks would most likely have shown.

The approach by Grattan is not just looking at the likelihood of the credit being repaid, but the impact of the repayments on Ms W. There is no set list of checks that it had to do, but it could take into account several different things such as the amount of credit being applied for, the monthly repayments and the overall circumstances of the borrower.

The final response letter issued by Grattan and the investigators' views all have been shared with Ms W and her representative and a copy of the views have been sent to Grattan. I do not set out again what is in those letters and emails. I have reviewed them and cross-checked those details with the information supplied by Grattan as to the checks it carried out

for Ms W before approving the credit account.

When considering whether creditworthiness assessments were reasonable which is what the Financial Conduct Authority (FCA) require them to be, there are a number of considerations to guide Grattan that the checks were proportionate: CONC 5.2A.20R plus the rules and guidance paragraphs following it. It was not expected that there was a full financial review of every aspect of Ms W's circumstances for each application.

Proportionality can be seen as doing reasonable checks within the full context of the credit application, what it was for and other details. I can't improve on some of the wording in the guide paragraph CONC 5.2A.21:

*Certain factors may point towards a more rigorous assessment and others towards a less rigorous one in which case the firm should weigh up the factors before deciding what type of creditworthiness assessment is required.*

Here, Ms W was applying for a credit account of £200 to use for on-line shopping and this was not a high credit limit at all. Usually, applications coincide with purchases and I can see from the Statement of Account (SOA) that Ms W did buy things in May 2020 with a cost of about £94. Likely these are what precipitated the credit application. The limit has never been increased. This was applied for during the Covid 19 pandemic lockdown when people could not go to shops. Grattan was entitled to look at what the credit was going to be used for and other elements to place the application in context.

Grattan has said that Ms W told it she earned £1,150 a month which Grattan verified using a Credit Reference Agency (CRA) tool. This is a widely used technique. I consider that reasonable.

Grattan looked at her credit situation and a copy of the detailed search has been sent to us. This demonstrates that Ms W had 15 'active' accounts (a point I come back to later) of which 3 were at £0 and 7 were home credit – again, the home credit accounts I come back to later. The oldest account was around 130 months old - so over a decade - and most of the debt related to accounts older than 12 months old. I have seen that the oldest default was many years before and any reasonable lender would consider that default to have been historic.

Ms W had a poor credit history but much of it was historic. But even taking the figures at their highest or their worst, the total outstanding was shown as £6,766 and the total monthly repayments on all accounts badged as 'active' was £612. And still, I'd consider it affordable for Ms W for a £200 limit on the Grattan account. I don't agree with either of the investigators that a full review of Ms W's financial position was proportionate or expected.

Added to which, and using the additional evidence I have from Ms W – her personal credit file – I've cross referenced some of the details. Three old home credit accounts which commenced in 2013 and 2014 and supplied by the same provider, were showing as the delinquent accounts. These amounted to £911 in total. In around May 2020 the Grattan research showed Ms W was in arrears on those loans, but home credit customers often were behind on their payments and this was well known. That actual provider was in financial trouble itself around that time. Having an old default and some arrears on home credit would not precipitate a refusal or the likelihood of Grattan considering that to comply with its regulatory obligations it was expected to look at every aspect of Ms W's financial situation.

A great deal of information has been passed between the parties about the individual and specific types of credit and other details. Overall, the Grattan CRA details from the search show that Ms W had a poor history but a large part of it related to accounts more than four years old or to home credit. But she was not over her existing credit limit, there were no judgment debts or insolvency markers. The amount was £200 and looks to have been applied for to coincide with a purchase. And placing it in context, the minimum monthly repayment due on a £200 credit limit that was around £6 to £10 a month.

I don't consider that further and detailed research was needed before approving this credit limit which, in any event, was restricted to use with its catalogue or on-line shop. That would have been disproportionate. I consider that Grattan carried out proportionate checks and made a fair lending decision. I plan not to uphold the complaint.

This is the end of the duplicated provisional 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.

Grattan has not responded. Ms W's representative has referred to some of the personal credit file details which would not have been seen by Grattan at the time. These points do not lead me to alter my view.

The representative has asked about a detail on her application form to Grattan. Ms W said to Grattan that her income was £1,150 and the 'household income' was £3,250 and she had no dependants.

Ms W's representative has reasserted the details – '*contractual debt of £6766.00 with monthly repayments to contractual debt monthly of £612.00*' and has sought to indicate that this ought to have led to a refusal of the credit as she had little disposable income. But I've looked again and my view has not altered.

And I repeat what I explained in my provisional decision, that even if Ms W were repaying that sum - £612 each month for her debts – which I did not think it likely she was – then still she'd be able to afford the minimum repayments on a £200 credit limit which worked out to be around £7 to £10 a month.

I repeat here what I've said in my provisional decision. I don't consider that further and detailed research was needed before approving this credit limit which, in any event, was restricted to use with its catalogue or on-line shop. That would have been disproportionate. I consider that Grattan carried out proportionate checks and made a fair lending decision.

I do not uphold the complaint.

I've also considered whether Grattan acted unfairly or unreasonably in any other way and I have considered whether the relationship might have been unfair under section 140A of the Consumer Credit Act 1974.

However, for the reasons I've already given, I don't think it lent irresponsibly to Ms W or otherwise treated her 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**

My final decision is that I do not uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 24 December 2025.

Rachael Williams  
**Ombudsman**