

## **The complaint**

Miss K complains that Santander UK Plc irresponsibly lent to her.

## **What happened**

Miss K was approved for a Santander credit card in June 2022, with a credit limit of £3,600. The credit limit was increased to £4,500 in November 2023. Miss K says that Santander irresponsibly lent to her. Miss K made a complaint to Santander, but as they didn't respond to her complaint within eight weeks, she brought her complaint to our service.

Our investigator did not uphold Miss K's complaint. He said that Santander's checks were proportionate when they opened the account. He said that for the credit limit increase, Santander considered her household income and expenditure, and they determined Miss K had a sufficient disposable income to meet repayments on the increased credit limit.

Miss K asked for an ombudsman to review her complaint. In summary, she said it was not proportionate for Santander to include her partner's income in the affordability assessment for either lending decision as she was the sole person responsible for making repayments to the credit card, and not her partner, and Santander didn't check that her partner's income was available to her to meet her repayments.

## **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.

While it would be frustrating for Miss K not to receive a final response letter from Santander within eight weeks of her complaint she made to them, I'm pleased that this didn't affect her ability to bring her complaint to this service.

Before agreeing to approve or increase the credit available to Miss K, Santander needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. 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 Santander have done and whether I'm persuaded these checks were proportionate.

### *Acceptance for the Santander credit card*

The information showed that Miss K had no County Court Judgements (CCJ's) being reported by the Credit Reference Agency (CRA), and no defaulted accounts or bankruptcies at the time of the checks.

Miss K declared a gross annual income of £25,550. The CRA informed Santander that Miss K had unsecured debt of £9,000. Santander completed an affordability assessment for Miss K. Santander had asked Miss K her housing costs and other costs on her application. Miss K

declared outgoings of £360 for her housing costs and £50 for her other costs.

But Santander didn't just take Miss K's word for the outgoings, they also used information from a CRA, and modelling to estimate Miss K's outgoings, which the results showed these were higher than what Miss K declared, therefore Santander used these higher figures. The affordability assessment showed that Miss K would have enough disposable income in order to be able to make affordable and sustainable repayments towards a £3,600 credit limit.

Miss K was also intending to complete a balance transfer. So it could be that her expenditure may have also reduced as a result of her not paying interest on any debt she transferred to Santander for a set period of time, which could result in a higher disposable income than what Santander had estimated.

The £3,600 credit limit was around 14.1% of Miss K's declared gross annual income. So in the absence of any adverse information showing on her credit file, the results of the affordability assessment showing the repayments would be sustainable and affordable for Miss K, and the credit limit not being a substantial percentage of her declared gross annual income, then I'm persuaded that Santander's checks were proportionate here, and they made a fair lending decision.

*November 2023 credit limit increase - £3,600 to £4,500*

A CRA informed Santander that Miss K's unsecured debt had increased to around £12,450 at the time of the checks, which represented an increase to her unsecured debt of over 38% since her account was opened the previous year.

The CRA reported there were no accounts in arrears at the time of the checks, and there were no CCJ's, defaults etc. Santander would also have been able to see how Miss K used the account since it had been opened. It appears Miss K incurred a late payment fee in September 2022, but it appears this was an oversight from her as opposed to financial difficulty. I say this because she made a payment three days before she incurred the fee, but then she made repayments via direct debit the following month, making repayments at an earlier point of the month.

Miss K typically made repayments around what I would expect the minimum repayment to be, so her account activity alone wouldn't be enough to show she could make repayments for a higher credit limit. I do note a large repayment in July 2023, but as this payment was higher than Miss K's net monthly income, it is likely to be from Miss K restructuring her debt (and it could be a possible reason why the unsecured debt increased).

Santander completed an affordability assessment for Miss K. But Miss K was showing as having a financial associate, so Santander completed a household affordability assessment to see if Miss K would be able to afford repayments for the £4,500 credit limit.

I'm persuaded that it was fair for Santander to expect Miss K wouldn't pay all of the household outgoings, and this is why it would be fair to consider what her financial associate would be paying also towards the outgoings. While her financial associate wouldn't be responsible for paying any of the repayments on the Santander credit card, it wouldn't be fair to include outgoings that Miss K wouldn't be paying towards her expenditure either.

But I do think it would have been proportionate for Santander to have completed further checks here. I say this because the household debt repayments were showing as £835 a month, compared to the £323 a month the individual affordability assessment showed originally. It is not clear from the checks how much of this £835 a month that Miss K was responsible for, and how much her financial associate was responsible for.

So based on what the affordability assessment showed, and the over 38% increase to Miss K's unsecured debt, I'm persuaded that Santander should have made further checks to ensure that Miss K could make affordable and sustainable repayments towards a credit limit of £4,500.

There's no set way of how Santander should have made further proportionate checks. One of the things they could have done was to contact Miss K to ask her how the bills were split, and to ensure she could make sustainable and affordable repayments for the credit limit provided. Or they could have asked for her bank statements as part of a proportionate check to ensure the lending was sustainable and affordable for her.

Miss K has forwarded her bank statements to our service leading up to this lending decision. It appears that there were two accounts, with two different banks. One a sole account and one a joint account. But I do note that one of the accounts does not show any account holder's name on it, but from the transactions showing on the account I don't doubt that it's Miss K's account.

Miss K's account shows monthly income of slightly over £1,800 a month. She often transfers a lump sum to the joint account shortly after she's been paid. There doesn't appear to be signs of financial difficulty here. Miss K does not enter an overdraft on her sole account, and I couldn't locate any payments returned unpaid on either account.

Miss K has a credit balance which is often either in three or four figures in credit. And she has disposable income in order to make non-essential purchases. So if Santander had completed further checks for the reasons I've given previously, I'm persuaded that they still would have approved the credit limit increase as it would appear that Miss K would be able to sustainably afford repayments for a £4,500 credit limit, so they would have made a fair lending decision here.

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 can't conclude that Santander lent irresponsibly to Miss K 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**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 17 February 2026.

Gregory Sloanes  
**Ombudsman**