

The complaint

Ms H complains that Madison CF UK Limited, trading as 118 118 Money, irresponsibly provided her a credit card.

What happened

In March 2019, Ms H was approved for a credit card by 118 118 Money; the initial limit was £225, which was in place for around a year, until it was increased to £350 in February 2020. Several years later, in 2025, Ms H complained to 118 118 Money. She said, in summary, that the credit had been provided irresponsibly. 118 118 Money didn't uphold Ms H's complaint, citing that it was confident reasonable and proportionate checks had been carried out before agreeing to lend.

Ms H referred her complaint to this Service, and an Investigator here looked at what had happened. Having done so, they didn't think 118 118 Money had lent to Ms H irresponsibly. They said that reasonable and proportionate checks had indeed been undertaken before lending and, moreover, the results of those checks hadn't highlighted any significant cause for concern which would cause 118 118 Money to decide not to lend. So, in conclusion, it hadn't acted irresponsibly and didn't need to take any further action.

Ms H disagreed, and she asked for an Ombudsman's decision. She reiterated her view that adequate checks hadn't been carried out; if they had been, Ms H thought her true position – which was much worse than what 118 118 Money's checks had uncovered – would've been revealed. Moreover, Ms H highlighted the detrimental impact the matter had placed on her wellbeing.

Our Investigator reconsidered, but they didn't change their mind. In short, they reiterated how proportionate checks had been carried out in the circumstances. While Ms H's position was indeed worse than 118 118 Money knew, it wasn't a failing that it hadn't discovered that. Ms H asked for an Ombudsman's decision. So, as no agreement has been reached, her 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.

I'll say first that I know just how strongly Ms H feels about what's happened here – and I'm truly sorry to read of the impact on her health. I do hope things have improved. At the outset, it's also important for me to explain I haven't commented on each and every statement she's made. Instead, I've focussed on what I deem to be the crux of the matter. That's because

our role is to be an informal service; I don't intend any courtesy in my approach, it's simply to align with that purpose. I'll also be clear that this decision addresses Ms H's credit card alone; I make no comment on any other products she held with 118 118 Money.

Fundamentally, 118 118 Money needed to make sure that it didn't lend irresponsibly. In practice, what this means is that it needed to carry out proportionate checks to be able to understand whether Ms H could make her payments in a sustainable manner before agreeing to lend. If the checks 118 118 Money carried out *weren't* sufficient, then I'll need to consider what reasonable and proportionate checks are likely to have shown.

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 that information – in the early stages of a lending relationship. That said, we might think it needed to do more if, for example, a borrower's income was low; or if the information the lender had – such as a significantly impaired credit history – suggested it needed to know more about a prospective borrower's ability to repay.

Here, 118 118 Money has told us that it used Credit Reference Agency ("CRA") data to build a view of Ms H's existing credit commitments and how she was managing them; it used Office of National Statistics ("ONS") data to help determine her day-to-day expenses, and it gathered details of Ms H's income – which was, it says, verified using a third-party report. From what I've seen, the results of those checks suggested Ms H's existing commitments were up to date; her verified income against her estimated outgoings showed she'd have enough disposable income to meet the repayments, and no County Court Judgments or Individual Voluntary Arrangements were recorded either.

Having said that, there were certainly some adverse indicators too. Ms H had several defaults; there were missed payments recorded, and some credit commitments could be seen to have been subject to repayment plans. I've considered whether that information means 118 118 Money ought to have gone further with its checks, before it approved Ms H's application, but – on balance – I'm not persuaded it should have.

To explain, I say that largely because the adverse data 118 118 Money uncovered was historic – so, while it indicated some problems in the past, there was nothing recently which suggested Ms H was experiencing similar issues. On the contrary, it appeared that she was generally managing things well by the time she applied to 118 118 Money; keeping that in mind alongside the very modest credit limit being offered here, of £225, I don't think 118 118 Money had reason to carry out further checks when holistically taking stock of all the data it had available.

I know Ms H's opinion is such that 118 118 Money ought to have carried out significantly detailed checks into her finances before agreeing to lend. The fact is, though, that there are no fixed checks a business must complete when reviewing an application for credit. There isn't any requirement on a lender to review specific things such as bank statements, for example. So, I can't fairly say that 118 118 Money was wrong to not run those sorts of checks here; there was no regulatory requirement to do that, and I don't think – in the round – that the results of the checks 118 118 Money *did* run would've prompted it to go further.

The same applies, in my view, when 118 118 Money increased Ms H's credit limit in February 2020. The increase in credit was very small, only £125, and nothing in the checks

118 118 Money carried out at this point gave it any cause for concern. Ms H had been repaying her contractual repayments to 118 118 Money, sometimes over the minimum required, and her external credit commitments didn't show any sign of trouble. Given the distinct lack of indication that Ms H was struggling, and the low amount of additional credit being provided here, I don't think 118 118 Money ought to have gone further in its checks.

Consequently, that means 118 118 Money would've never uncovered the true position of Ms H's finances. It simply wouldn't have known that her situation was much worse than it appeared – and that isn't a failing, for the reasons I've explained. That will, of course, significantly disappoint Ms H; I'm in no doubt her true financial circumstances were just as she's described. But it remains that 118 118 Money was entitled to rely upon the information available at the time and, as I've set out, I don't find that anything in the information it did gather ought to have prompted it to go further in its checks.

Essentially, as with any complaint, the key point to remember here is that it's only fair and reasonable for me to uphold a complaint in circumstances where I can conclude a business did something wrong. Here, I don't think 118 118 Money could have known – or ought to have known – that the payments for this credit card were unaffordable, or would become unaffordable, at the time of lending. So, for the reasons I've already given, I can't fairly conclude that 118 118 Money acted irresponsibly or otherwise treated Ms H unfairly in relation to this matter; it follows that I don't uphold the complaint. I haven't seen anything to suggest that Section 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 don't uphold Ms H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 18 December 2025.

Simon Louth
Ombudsman