

The complaint

Mrs H complains that Santander UK Plc (Santander) was irresponsible in its lending to her.

What happened

Mrs H applied for credit with Santander and was given a loan as follows:

Date	Amount of Credit	APR	Loan Term	Monthly Repayment
January 2022	£10,000	16.9%	60 months	£241.68

Mrs H says that she was not adequately assessed for the credit and that being provided with the loan has worsened her financial situation. To put things right, Mrs H is asking for a refund of all interest, fees and charges plus 8% interest.

Santander did not respond to Mrs H's complaint within 8 weeks so she referred it to our service.

In response to our investigator's enquiries, Santander said it was satisfied that appropriate checks were made, proportionate to the amount of credit being granted. In view of this and in light of the information available to it at the time of lending, it is satisfied it was not irresponsible in providing Mrs H with the loan.

Our investigator didn't think that Santander had done anything wrong by providing Mrs H with the loan. He found that the checks carried out were reasonable and proportionate to the amount of credit being provided and that calculations of income and expenditure showed a healthy disposable income each month after taking into consideration the repayment for the loan and other outstanding debt.

Mrs H didn't agree and asked for an ombudsman's review.

Because an agreement couldn't be 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.

Our approach to considering complaints about unaffordable and irresponsible lending is set out on our website. I've had this approach in mind when considering what's fair and reasonable in the circumstances of this complaint. While I have taken into account the relevant laws and regulations, my decision is based on what I consider fair and reasonable given the circumstances of this complaint.

As our investigator has explained, before providing credit, lenders need to complete reasonable and proportionate affordability checks. There isn't a set list of checks a lender is required to carry out, it just needs to ensure the checks are proportionate when considering things like: the type and amount of credit being provided, the size of the regular repayments, the total cost of the credit and the consumer's circumstances.

In considering Mrs H's application, Santander looked at declared income and outgoings figures provided by Mrs H. It then validated her declared outgoings against credit reference agency (CRA) data.

I have looked at the income and expenditure calculations carried out by Santander including the checks it undertook on Mrs H's declared expenditure figure.

When Mrs H applied for the loan, she declared a gross monthly income of £5,500 and outgoings of £1,300. Santander validated her outgoings against credit reference agency (CRA) data and this gave an estimated figure for outgoings of £1,546, plus an unsecured credit repayment figure of £907 on an outstanding debt of £23,339. It used these estimated figures when checking affordability and therefore a more conservative position than what would have been given by the declared figure from Mrs H.

I note that Mrs H says that her existing debts were more than the total figure used by Santander, but having looked at her credit check from the time of the application, I can see that Santander used the correct figure based on the information available to them at the time. In any event, Mrs H provided her own copy of her credit report, and I cannot see any additional credit that would bring the total amount to more than that considered by Santander at the time.

The income figure declared by Mrs H was gross, and I have therefore estimated her net take home pay each month to be around £3,914. Based on these figures, I can see that, after the monthly repayment on this loan, Mrs H would be left with a disposable income of around £1,220 which is a very healthy amount of buffer for emergencies and general living expenses. I also note that Mrs H noted that the purpose of the loan was debt consolidation, so it is likely that her monthly commitment to existing debt repayment would fall, further increasing the amount of disposable income available to her.

Mrs H's CRA report did not show any adverse information such as CCJs, delinquencies or defaults and showed that her other accounts were in good order. Therefore, it follows that I think the checks were proportionate, and a fair decision to lend was made in the circumstances of Mrs H's complaint.

In conclusion, there is no information that raises concerns about the affordability of the lending, given the amount and term of the loan and the amount of disposable income that Mrs H had available. So, I do not find Santander acted irresponsibly by providing this loan to Mrs H.

In reaching my conclusions, I've also considered whether the lending relationship between Santander and Mrs H might have been unfair to Mrs H under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Santander did not lend irresponsibly when providing Mrs H with the loan. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

So, while it'll likely come as a disappointment to Mrs H, I won't be upholding her complaint against Santander for the reasons explained above.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 12 February 2026.

Hannah Poulton

Ombudsman