

## **The complaint**

Mr F complains that The Royal Bank of Scotland Plc ('RBS') acted irresponsibly by providing him with, and increasing the limit on, a credit card.

## **What happened**

In August 2015, RBS approved Mr F's application for a credit card, giving him a limit of £4,550. The limit was increased once, in July 2017, to £6,000. The account remained active until Mr F entered into a Trust Deed in 2020.

In March 2024, Mr F complained to RBS that this level of credit was unsustainable in his circumstances.

RBS responded to Mr F's complaint in April 2024 but didn't find they had lent irresponsibly. Mr F wasn't happy with RBS' response, so he referred his complaint to the Financial Ombudsman. An investigator here assessed his complaint but didn't find that RBS had lent irresponsibly or that the credit card was unaffordable.

Mr F didn't agree with the opinion of the investigator and said his wider credit commitments hadn't been taken into consideration. He also said RBS had been unprofessional and unethical with their marketing strategies to sell him as many financial products as possible.

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.

Having done so, I'm not upholding Mr F's complaint. I know this is likely to be disappointing for Mr F, so I'll explain the reasons for my decision.

There are time limits for referring a complaint to the Financial Ombudsman Service, and RBS thinks this complaint was referred to us too late. Our investigator explained why she didn't, as a starting point, think we could look at a complaint about the lending decisions that happened more than six years before the complaint was made. But she also explained why it was reasonable to interpret the complaint as being about an unfair relationship as described in Section 140A of the Consumer Credit Act 1974 ("Section 140A"), and why this complaint about an allegedly unfair lending relationship had been referred to us in time.

For the avoidance of doubt, I agree with our investigator that I have the power to look at the complaint on this basis. I think this complaint can reasonably be considered as being about an unfair relationship as Mr F says the lending decisions contributed to his financial situation spiralling. These may have made the relationship unfair as he said they ultimately led him to enter into a Trust Deed. I acknowledge RBS still doesn't agree we can look at this complaint, but as I don't think it should be upheld, I don't intend to comment on this further.

Given what Mr F has complained about, I need to consider whether RBS' decision to lend to him and increase his credit limit, or its later actions, created unfairness in the relationship between him and B such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Mr F's relationship with RBS is therefore likely to be unfair if it didn't carry out proportionate affordability checks and doing so would have revealed its lending to be irresponsible or unaffordable, and if it didn't then remove the unfairness this created somehow.

We've set out our general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr F's case.

I've decided the credit was provided fairly because:

#### Account opening

- Before approving the application, RBS asked Mr F for his income and his housing costs and used statistical data to estimate his essential living costs. They also used his credit file to establish his monthly debt commitments.
- Mr F told RBS his monthly income was £1,516 and his housing costs were £390. RBS relied on average data to estimate Mr F's monthly living costs of £546. The credit check showed he had around £7,200 external debt and a monthly debt commitment of £216. The credit check also showed no adverse information.
- RBS told us their applications at the time didn't require manual income verification however, I think this would have been proportionate in the circumstances considering the high limit they were providing, in comparison to Mr F's declared income.
- I reviewed Mr F's bank statements and I can see that, in the three months leading up to the application, he was earning an average monthly income of £1,513. Based on this and the above figures, and after factoring a sustainable repayment towards the new limit, Mr F was left with a disposable income of around £133 per month.
- So, I'm persuaded RBS could have made a fair decision to lend if they had done further checks.

#### Credit limit increase

- RBS said they carried out similar checks before increasing the limit, although they couldn't provide evidence of this due to the time that has passed. It therefore follows that I can't be sure the checks were proportionate.
- I reviewed Mr F's statements for the three months leading up to the lending decision. To be clear, I'm not saying RBS should have reviewed Mr F's statements. Rather, I'm relying on the information contained in the statements to decide what RBS would have found out had they asked more questions.
- During this period, I can see Mr F was earning on average around £1,678 per month. In terms of his monthly expenditure, I found he paid £380 for rent and had living costs of around £485 (this figure includes bills, debt commitments, transport/petrol costs, etc). I couldn't identify clear or regular food expenses therefore I relied on the national average at the time which was around £114 per month. Based on these

figures, and after factoring a sustainable repayment towards the new limit, Mr F was left with a disposable income of around £699 per month.

- So, I'm persuaded RBS could have made a fair decision to lend if they had done further checks.
- Overall, I'm satisfied that, even if RBS had done further checks, they would have found that the initial lending and the limit increase were affordable. And so, I'm not persuaded they acted unfairly.

This means I don't think RBS did anything wrong when it provided the credit card to Mr F, or when they increased the limit.

I noted what Mr F said about RBS' marketing strategies and how this caused his financial downfall. And I'm very sorry to hear the financial difficulties Mr F has gone through. However, I hope my decision has gone some way to explain why I'm satisfied that these lending decisions weren't irresponsible.

In reaching my conclusions, I've also considered whether the lending relationship between RBS and Mr F might have been unfair to Mr F under Section 140A. However, for the reasons I've already given, I don't think RBS lent irresponsibly to Mr F or otherwise treated him unfairly. 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.

I appreciate Mr F feels very strongly about this matter and I know this isn't the outcome he hoped for. But for the reasons above, I'm not asking RBS to do anything to put things right.

### **My final decision**

My final decision is that I'm not upholding Mr F's complaint about The Royal Bank of Scotland Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 15 April 2026.

Amelie Makris  
**Ombudsman**