

The complaint

Mrs A complains that Santander UK Plc (Santander) lent to her irresponsibly when it increased the credit limit on her credit card.

She has also raised concerns about forbearance measures taken, particularly when she asked for the interest to be frozen in October 2024. She has said that she was in an extremely vulnerable position, was struggling to manage her debt, and shared this with Santander.

Date	Event	Amount
September 2019	Account Opening	£2,500
June 2020	Credit Limit Increase (CL1)	£3,200
June 2024	CL12	£4,000

In October 2024, Mrs A complained to Santander regarding the credit being lent irresponsibly and the lack of options being provided to her regarding forbearance. Santander did not agree, they said that the increases were affordable and, as such, had responsibly lent to Mrs A.

Mrs A referred the matter to this Service. An Investigator reviewed the case and issued their response which found that proportionate checks had not been completed for the application amount, and increases, and that a deeper view should have been taken when granting the credit.

Following a look at Mrs A's statements, the Investigator concluded that Santander likely would still have granted credit on each occasion, had they been privy to Mrs A's actual outgoings. Our investigator didn't uphold the complaint.

Mrs A didn't agree with our investigator and said Santander had been irresponsible when lending to her and had not done enough to support her when she raised concerns regarding her ability to pay in October 2024. She asked for her case to be referred to an Ombudsman.

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.

We've set out our approach to considering unaffordable and irresponsible lending complaints on our website - including the key relevant rules, guidance, good industry practice and law. And I've considered this approach when reviewing Mrs A's complaint. There are several questions I have thought about when deciding if Santander treated Mrs A fairly and reasonably when it provided her with the credit card, and the limit increases.

- Did the lender complete reasonable and proportionate checks to satisfy itself that the borrower would be able to repay any credit in a sustainable way?
- If reasonable and proportionate checks were completed, was a fair lending decision made?
- If reasonable and proportionate checks weren't carried out, what would reasonable and proportionate checks more likely than not have shown?
- Did the lender act unfairly or unreasonably in some other way?

It's my opinion that reasonable and proportionate checks took place for the credit provided at account opening and at the time of CLI1 but that this was not the case for CLI2.

This credit card was Mrs A's only line of credit at the original opening and was a relatively modest amount. It was still her only line of credit at the time of CLI1, and she had shown positive behaviours in managing the balance. As such, it was evident via her dealings with Santander and credit file that Mrs A was not in financial difficulties during this time, or at least there were no signs that I would expect Santander to reasonably be aware of.

For CLI2, I have not been provided with evidence of the checks completed by Santander at the time, so in the interest of what's most fair to Mrs A, I will assume that they were not conducted. Operating on that assumption, I feel that Santander ought to have validated Mrs A's income and expenditure to identify any new affordability risk. I say this because Mrs A's debt had risen from £2,199 in June 2020 to £16,098 in June 2024. This increase was largely via additional credit cards which generally bring a higher interest rate than most loan types; meaning the financial risk was higher.

Whilst there is no set list of checks a business must carry out before lending, it must satisfy itself that any credit given is affordable for the consumer on a sustainable basis. To do that, it must obtain a reasonable understanding of the consumer's financial circumstances. Generally, this would be obtaining verbal or written confirmation of outgoings directly from the consumer or obtaining bank statements for a few months prior to the application as our investigator did in this case.

Obtaining and reviewing bank statements for that time provides us with a financial snapshot of the period in question and allows us to assess what the lender would likely have seen had they obtained more information. We can then decide whether the lender might have arrived at a different outcome had they been privy to this information.

Having looked at the bank statements leading up to CLI2, I have come to a similar conclusion to that of the investigator. Based on the information contained, it appears Mrs A had sufficient disposable income to cover repayments if she were to spend the additional £800 made available to her.

Mrs A has disputed the assessment completed by the investigator because calculations initially included irregular funds, like gifts and HMRC refunds, and that when removed, "affordability collapsed without this artificial figure". Furthermore, she did not feel that essential and priority expenses had been considered. I don't agree. Mrs A was asked to provide statements for the main account she used and these statements show enough disposable income to cover repayments of the Santander balance if it was fully utilised.

Whilst I don't doubt what Mrs A has said about her financial and personal situation at the time, my role is to assess whether Santander should have reasonably known that it would be irresponsible to lend to Mrs A. And had Santander asked for more information at the time – such as checking the statements I've seen – I suspect it would have reached a similar conclusion.

I also note that Mrs A chose not to allow automatic increases on this card and had set any potential increases to be sent to her for approval.

As such, she was required to accept the offer and had the opportunity to reject the increase if she felt she would be unable to afford repayments for the additional £800. Had Santander spoken to her at that time or asked further questions, I'm confident she would have satisfied it of her ability to repay the increase.

Overall, based on the available information provided by Santander and Mrs A, I think the bank reached a fair decision to lend to her.

In relation to the forbearance aspect of Mrs A's complaint, I understand that she was trying to reduce her reliance on credit while avoiding any impact on her credit file. However, significant forbearance measures usually affect credit files, so it was unlikely she could both maintain her repayments and qualify for support designed for consumers who are unable to make minimum payments.

It's important that credit file records are a true reflection of the current relationship between consumer and creditor, so that potential creditors are aware of the risks posed to them, and consumers, when assessing affordability for future credit. As such, it is right that entering into significant measures would impact consumer credit files.

In reaching my conclusions, I've also considered whether the lending relationship between Santander and Mrs A might have been unfair to Mrs A under Section 140A 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 A with the credit card and increases. 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 A, I won't be upholding her complaint against Santander.

My final decision

My final decision is that I don't 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 3 March 2026.

Caroline Oliver

Ombudsman