

## The complaint

Ms G complains that Marks and Spencer Financial Services PLC trading as M&S Bank lent irresponsibly when it approved her credit card application.

## What happened

Ms G applied for an M&S Bank credit card in November 2022. In her application, Ms G said she was employed with an income of £55,000 a year. M&S Bank says it used statistical data based on Ms G's age, employment type and demographic information to help verify the income figure provided. M&S Bank used a net monthly figure of £3,106 for Ms G's income. Ms G also said she was a tenant.

M&S Bank completed a credit search and found Ms G had unsecured debts totalling £15,941 of which £12,091 related to credit card debt. M&S Bank found Ms G was making monthly repayments totalling £685 a month. No adverse credit like County Court Judgements or defaults were noted on Ms G's credit file and there was no sign of recent missed payments.

M&S Bank completed an affordability assessment using Ms G's income of £3,106 a month and making deductions of £1,031 for her rent, £692 for her general living expenses and £685 for her existing credit commitments. M&S Bank says that left Ms G with a disposable income of £699 a month after her existing outgoings were met.

M&S Bank approved Ms G's application and issued a credit card with a limit of £4,500 and a 0% promotional interest rate for balance transfers. Ms G went on to complete a balance transfer for £4,275 and paid a fee of £85.07. Ms G continued to use the credit card until August 2025 when the balance was repaid.

Ms G went on to complain that M&S Bank lent irresponsibly and it issued a final response. M&S Bank said it had carried out the relevant lending checks before approving Ms G's application and didn't agree it lent irresponsibly.

Ms G referred her complaint to this service and it was passed to an investigator. M&S Bank made an early offer to settle Ms G's complaint by refunding all interest, fees and charges applied to the credit card from the date of approval, totalling £478.61. Ms G didn't accept, so the investigator went on to look at the full merits of her complaint. The investigator reviewed the information M&S Bank obtained when considering Ms G's application as well as the lending checks completed. The investigator reached the view that M&S Bank completed proportionate checks before approving Ms G's application and its decision to lend was reasonable based on the information it obtained. The investigator wasn't persuaded M&S Bank lent irresponsibly to Ms G and didn't uphold her complaint.

Ms G asked to appeal and said her outgoings were significantly higher than the figures M&S Bank used in the application. Ms G also said she was reliant on credit to make ends meet and that she had no disposable income available to support a new credit card. As Ms G asked to appeal her complaint has been passed to me to make a decision.

## 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.

Before agreeing to lend, the rules say M&S Bank had to complete reasonable and proportionate checks to ensure Ms G could afford to repay the debt in a sustainable way. These affordability checks needed to be focused on the borrower's circumstances. The nature of what's considered reasonable and proportionate will vary depending on various factors like:

- The amount of credit;
- The total sum repayable and the size of regular repayments;
- The duration of the agreement;
- The costs of the credit; and
- The consumer's individual circumstances.

That means there's no set list of checks a lender must complete. But lenders are required to consider the above points when deciding what's reasonable and proportionate. Lenders may choose to verify a borrower's income or obtain a more detailed picture of their circumstances by reviewing bank statements for example. More information about how we consider irresponsible lending complaints can be found on our website.

I've set out the information Ms G gave in the application to M&S Bank above. Ms G said she was employed full time with an income of £55,000 and provided details of her role. M&S Bank used statistical data that looks at job roles and demographics to help verify the figure provided was reasonable. A net monthly income of £3,106 was used by M&S Bank in the application. I'm satisfied that was a reasonable approach in the circumstances of Ms G's complaint.

M&S Bank's credit search found Ms G had £12,091 of existing credit card debt out of a total outstanding balance of £15,941. I can see Ms G's monthly repayments of £685 were factored into M&S Bank's lending assessment. Whilst I can see Ms G had existing unsecured debt, when compared against her declared income it wasn't unreasonably high. And there was no adverse credit or other information that would've indicated to M&S Bank Ms G was struggling to maintain her existing commitments. Overall, I'm satisfied M&S Bank took the information available on Ms G's credit file into account when deciding whether to lend.

An affordability assessment used estimates of £1,031 for Ms G's rent and £692 for her general living expenses each month. I understand those figures may differ from the reality. But the relevant lending rules say M&S Bank can use reasonable estimates for a borrower's outgoings where appropriate. Looking at Ms G's application, I haven't seen anything that shows the use of estimates for her rent and living expenses wasn't appropriate. M&S Bank has explained the figures it used were obtained from nationally recognised statistics. In my view, the outgoings figures used were reasonable in the circumstances of Ms G's application.

The affordability assessment took Ms G's net monthly income of £3,106 into account and made deductions for her regular outgoings as noted above. The affordability assessment indicated Ms G had a disposable income of £699 a month which was sufficient to sustainably afford repayments to a new credit card with a limit of £4,500. In my view, that was a reasonable conclusion following proportionate lending checks by M&S Bank.

I'm sorry to disappoint Ms G but I haven't been persuaded that M&S Bank lent irresponsibly when it approved her credit card application. In my opinion, the available information shows M&S Bank completed proportionate checks when looking at Ms G's application. And I think the decision to approve Ms G's application and issue a credit card with a limit of £4,500 was reasonable based on the information M&S Bank obtained. As I haven't been persuaded M&S Bank lent irresponsibly I'm unable to uphold Ms G's complaint.

I've considered whether the business acted unfairly or unreasonably in any other way including whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think M&S Bank lent irresponsibly to Ms G or otherwise treated her 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.

### **My final decision**

My decision is that I don't uphold Ms G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 13 March 2026.

Marco Manente  
**Ombudsman**