

The complaint

Mr O complains that JAJA FINANCE LTD irresponsibly lent to him.

What happened

Mr O was approved for a Jaja credit card in February 2025, with a £2,600 credit limit. Mr O says he was experiencing financial difficulty at the time he was approved for the credit card, and he had a gambling relapse. Mr O says that Jaja irresponsibly lent to him, and he made a complaint to them. Jaja did not uphold Mr O's complaint. They said all correct lending protocols were adhered to. Mr O brought his complaint to our service.

Our investigator did not uphold Mr O's complaint. She said that Jaja's checks were proportionate, and they did not act unfairly in approving the credit limit. Mr O asked for an ombudsman to review his complaint. He made a number of points. In summary, he said that he had a similar complaint that he brought to our service in 2022 which was upheld, he highlighted numerous lines of credit he opened (with 28 hard searches in the prior six months) and several of these were not fully being reported to the Credit Reference Agencies (CRA's), and he outlined what his bank statements showed regarding his gambling.

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.

Firstly, I'm aware that I've only summarised Mr O's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I've considered what Mr O has said about a similar complaint being upheld by our service in 2022. But I must make Mr O aware that it doesn't automatically follow that every subsequent irresponsible complaint he brings to our service will also be upheld. That is because our service looks at each complaint on its own merits.

Before agreeing to approve the credit available to Mr O, Jaja needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks Jaja have done and whether I'm persuaded these checks were proportionate.

I've looked at what checks Jaja said they did when initially approving Mr O's credit card. Jaja said they looked at information provided by CRA's and information that Mr O had provided before approving his application.

I'd like to be clear to Mr O that while he's highlighted things regarding what was on his credit file, Jaja are not obligated to request his full credit file, with account data going back for six years. This would not be proportionate for them to do so.

The figures reported by the CRA were combined, and not split into every single account, with each start date, or how many hard searches had been completed (but the checks showed he had ten open accounts), and there's no requirement by the regulator to collect all of these data categories. So Jaja were not aware of how many accounts were opened in the last six months, or how many hard searches had been completed recently.

But the checks from the CRA showed Mr O wasn't in any arrears on his accounts at the time of the checks. Mr O wasn't in any arrears on his accounts in the six months prior to the checks. The checks also showed there were no defaults, County Court Judgements, or active repayment plans in place.

The information showed that Mr O had declared a gross annual salary of £110,000. Mr O had active accounts showing from the CRA's, and the total amount of external unsecured revolving debt (such as credit cards/store cards/overdrafts etc) being reported by the CRA was £5,980.

The CRA was able to report Mr O's fixed monthly repayments for his non-revolving credit, whereas they took 5% of Mr O's active revolving debt to include a sustainable repayment in the affordability assessment calculations they completed.

This figure would likely be more than the minimum repayment Mr O was required to pay, therefore it is fair for them to use a higher figure here to ensure Mr O had enough disposable income in order to meet repayments for the Jaja credit card.

Jaja have said they used modelling to help calculate Mr O's affordability. This is an industry standard way of calculating affordability. So they included living expenses, they had Mr O's housing monthly payment, and the information from the CRA's about how much Mr O would pay towards his monthly credit commitments (both revolving, and non-revolving agreements).

The affordability assessment showed that Mr O would comfortably be able to make sustainable and affordable repayments for the £2,600 credit limit. So it wouldn't have been proportionate for them to have made further checks such as requesting Mr O's bank statements when there was no adverse credit information being reported by the CRA, the credit limit being around 2.4% of his declared gross annual income, and the high disposable income that the affordability assessment was showing.

I've considered what Mr O has said about accounts not yet showing on his credit file. But I can't fairly say that Jaja should have been aware of this. In the absence of any obvious errors in the data the CRA reported to them, they would have no reason to doubt the information wasn't accurate, especially as Mr O had declared on the application about his financial situation not changing in the future.

So I'm persuaded that Jaja's checks were proportionate, and that they made a fair lending decision to approve Mr O's application. That's not to say I'm not sympathetic to Mr O's situation that he's told us about. But based on Jaja's checks, I'm not persuaded that it would have been proportionate for them to carry out further checks such as requesting his bank account statements, as the information they had showed no signs that the credit limit would be unaffordable or unsustainable for him, or that he was having any financial difficulties at the time he was approved for the credit.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think Jaja lent irresponsibly to Mr O or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 5 March 2026.

Gregory Sloanes
Ombudsman