

The complaint

Miss D complains that Madison CF UK Limited trading as 118 118 Money irresponsibly lent to her.

What happened

Miss D was approved for a 118 118 Money credit card in December 2021, with a £1,200 credit limit. Miss D says this was irresponsibly lent to her, and she made a complaint to 118 118 Money, who did not uphold her complaint about this lending decision. 118 118 Money said that although Miss D had defaulted accounts, a considerable amount of time had passed since these were registered, and there were no other significant factors indicating a recent history of poor credit. Miss D brought her complaint to our service.

Our investigator did not uphold Miss D's complaint. She said 118 118 Money's checks were proportionate, and that they made a fair lending decision. Miss D asked for an ombudsman to review her complaint. She made a number of points. In summary, Miss D said that she was asked for no further information when she applied for the credit card (such as bank statements and credit file), 118 118 Money upheld an irresponsible lending complaint she made regarding a loan she took out with them two months after the credit card, even though the repayments were lower than the credit card repayments. She said she had a default in January 2020, with a telecommunications company, which is still on her credit file now, which 118 118 Money disputes.

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 approve the credit available to Miss D, 118 118 Money needed to make proportionate checks to determine whether the credit was affordable and sustainable for her. 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 118 118 Money have done and whether I'm persuaded these checks were proportionate.

118 118 Money said they completed a credit check with a Credit Reference Agency (CRA) and they used information that Miss D had provided before approving her application. The information showed that Miss D declared she was employed, and she declared a net monthly income of £1,420.

The CRA reported that although Miss D hadn't defaulted on any accounts in the last 12 months, she had defaulted on accounts within the previous 36 months. It may help to explain here that, while information like a default on someone's credit file may often mean they're not granted further credit – they don't automatically mean that a lender won't offer borrowing.

I've considered what Miss D has said about the default 118 118 Money dispute is on her

credit file with a telecommunications company. I've viewed the credit check the CRA gave 118 118 Money, and I can confirm that it doesn't show on the information they gave Miss D. A possible reason for this could be if the telecommunications company don't report account activity to all of the available CRA's. But even if this was showing on the credit check, I'm not persuaded this would have made a difference.

I say this because the default was registered nearly two years prior to this lending decision. So Miss D's financial situation could have improved in the 23 months that had passed since the default had been registered. So I've looked at what other checks 118 118 Money made to see if they made a fair lending decision.

The CRA that 118 118 Money used reported that Miss D had £4,365 of active unsecured debt. As they had information from a CRA, then there was no need to request her credit file directly from her. Mrs D was asked for her expenditure as part of the application form.

118 118 Money completed an affordability assessment which included a mixture of information that Miss D had given them, information from the CRA they used to include her monthly credit commitments, and modelling. The affordability assessment showed that Miss D should be able to afford sustainable repayments for the £1,200 credit limit.

Even though Miss D only declared housing costs and no other expenditure, 118 118 Money were able to include her monthly credit commitments, and they used modelling to include a higher amount than Miss D declared for other costs. So they didn't just take Miss D's word for her outgoings, they factored in higher outgoings than declared. So as Miss D had the opportunity to provide her outgoings, and 118 118 Money used higher outgoings than she declared, it would not be proportionate to request her bank statement to see her outgoings.

The CRA checks showed that Miss D wasn't in arrears on any active accounts at the time of the checks, and she hadn't been in arrears on her active accounts in the 12 months leading up to the acceptance of the 118 118 Money credit card.

So I'm persuaded that 118 118 Money's checks were proportionate, and they made a fair lending decision to approve Miss D's application, and to provide her with a £1,200 credit limit.

I've considered what Miss D has said regarding 118 118 Money upholding an irresponsible lending complaint for a personal loan which she opened two months after the credit card. But that doesn't mean lending which she took out prior to this would be irresponsibly lent to her. The personal loan application would need to take into account the payments for the 118 118 Money credit card and the new personal loan repayments into consideration (and if she had opened any other accounts in the interim with other lenders). Whereas the affordability assessment for this credit card wouldn't include loan repayments for a loan she hadn't taken out yet, so that could just be one reason why they deemed one account was affordable, and one wasn't.

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 can't conclude that 118 118 Money lent irresponsibly to Miss D or otherwise treated her 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 Miss D to accept or reject my decision before 25 February 2026.

Gregory Sloanes
Ombudsman