

The complaint

Miss B has complained that Madison CF UK Limited, trading as 118 118 Money, were irresponsible in approving a loan and subsequently a credit card.

What happened

118 118 Money provided Miss B with a loan for £2,500 in March 2023, requiring repayments of around £91 each month, for 48 months. They also provided a credit card, with a limit of £500, in February 2025.

Miss B says the lending decisions were irresponsible. She says the checks carried out were insufficient and a more thorough check would have revealed that the required repayments were unaffordable.

118 118 Money reviewed Miss B's complaint and didn't uphold it. They were satisfied that appropriate checks were carried out in both March 2023 and February 2025. 118 118 Money felt that there was no indication that the repayments were unaffordable.

An investigator then reviewed the merits of Miss B's complaint and didn't think that 118 118 Money had done anything wrong.

Miss B disagreed with our investigator's opinion. In summary she felt that a more thorough check would have shown this to be unaffordable, as she had other debt and was relying on payday loans.

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 this complaint. I know this will disappoint Miss B, so I'll explain why.

The rules and regulations in place at the time 118 118 Money provided Miss B with the loan and credit card required them to carry out reasonable and proportionate assessments of whether she could afford to repay what she owed in a sustainable manner. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be 'borrower' focused. This means 118 118 Money had to think about whether repaying the loan and credit card sustainably would cause difficulties or adverse consequences for Miss B. In other words, it wasn't enough for 118 118 Money to consider the likelihood of them getting the funds back – they had to consider the impact of any repayments on Miss B.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this

in mind when thinking about whether 118 118 Money did what they needed to before providing the loan and credit card.

In advance of approving the loan and the credit card, 118 118 Money used information declared by Miss B in her application and used data supplied by a credit reference agency (CRA) to help them see whether the credit was affordable for Miss B.

In her application for the loan in March 2023, Miss B declared a monthly income of £2,228 but declared no other outgoings.

118 118 Money validated the income figure in their CRA checks. These checks also revealed other debt of around £21,000. This appeared to be well managed, with no missed payments on any open accounts, and regular payments exceeding the minimum required payments on an existing credit card. Other than a historic missed payment on a settled account, no adverse indicators were evident in the CRA information.

118 118 Money used the CRA information to calculate Miss B's monthly payments for existing credit. They also estimated her living costs and rent payments.

Finally, 118 118 Money calculated an estimated disposable income remaining, after also considering the repayments for this new loan, of around £270. They concluded that, based on all this information, the loan would be affordable for Miss B and approved the loan.

I've reviewed all of this, and I'm comfortable that 118 118 Money did perform reasonable and proportionate checks, when assessing the application from Miss B for the loan. I also think a fair lending decision was made here, as the gathered information didn't highlight any recent issues managing credit and that Miss B was likely to be able to afford the lending.

In February 2025, 118 118 Money took the same approach when considering the application for the credit card.

Miss B declared a monthly income of £2,876 and the CRA checks showed that Miss B's overall debt had increased to around £25,000. As with the prior CRA check, there were no adverse markers noted on any open accounts and 118 118 Money could see that Miss B had made all of her required loan payments on time.

Miss B had also declared housing costs of £280 per month in this application. 118 118 Money did similar calculations to those I described above for the loan application, but used a higher figure for rent than Miss B had declared. They calculated an estimated disposable income remaining of around £400 and deemed this to be affordable.

Again, after consideration, I am satisfied that the checks undertaken by 118 118 Money were proportionate, so I don't consider more thorough checks were required in the circumstances. Having considered the results gathered from the checks, overall I think 118 118 Money made a fair lending decision here too. The information didn't indicate any recent issues managing credit and, again, that Miss B was likely to be able to afford the new lending.

In her correspondence with this service, Miss B made a number of points challenging the approach 118 118 Money have taken. She feels that they should have done further checks, including reviewing bank statements, as this would have highlighted a concern with regard to gambling transactions.

Miss B says that a significant portion of her income came from benefits, such as Universal Credit. Miss B also tells us that she was regularly using payday loans, along with her overdraft and finally that her monthly rent was more than she had declared in her application.

As 118 118 Money did validate the income Miss B declared, it was fair for them to be satisfied of a regular source of income. And, it wasn't unreasonable to lend, considering what they understood about her income.

Considering Miss B's other points, there is nothing within the CRA reports specifically showing payday loan usage and 118 118 Money did include required repayments for all existing debt at the time of the applications. This included reasonable repayments towards her overdraft. I've noted above that they did use a higher figure for monthly rent, than was declared.

I am not persuaded that there was any indication of financial difficulty that would require 118 118 Money to have reviewed Miss B's bank statements.

To conclude, it is my considered opinion that 118 118 Money did perform reasonable checks and made a fair decision to proceed, with both the loan and the credit card.

Whilst I'm not upholding this complaint, I'd like to remind 118 118 Money of its obligation to exercise forbearance moving forward, as Miss B is experiencing financial difficulty and I would also certainly encourage Miss B to keep in regular contact with 118 118 Money about any difficulties she's facing.

In reaching my conclusions, I've also considered whether the lending relationship between Miss B and 118 118 Money might have been unfair to Miss B under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that 118 118 Money did not lend irresponsibly when providing Miss B with the loan or the credit card, or otherwise treat her unfairly in relation to this matter. And I haven't seen anything to suggest that Section 140A of the CCA would, given the facts of this complaint, lead to a different outcome here.

So while it will come as a disappointment to Miss B, I won't be upholding her complaint against 118 118 Money for the reasons explained.

My final decision

For the reasons outlined above, I don't uphold this complaint against Madison CF UK Limited, trading as 118 118 Money.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 26 February 2026.

David Barker
Ombudsman