

## The complaint

Mr J complains that MBNA Limited (MBNA) lent to him irresponsibly when offering him a credit card and subsequently increasing the credit limit four times over a period of three years.

## What happened

Mr J applied for a credit card and subsequently requested four credit limit increases as shown below:

Date	Event	Credit Limit
May 2019	Account Opening	£3,600
December 2019	Limit increase	£8,600
November 2020	Limit increase	£12,500
June 2021	Limit increase	£17,400
April 2022	Limit increase	£22,400

In summary, Mr J complains that MBNA made insufficient checks when granting him his credit card and when increasing the credit limit four times over the following three years. Mr J feels had these checks been made it would have shown the lending was unaffordable. Mr J states this has been damaging to his mental health and caused him further financial difficulties including an eventual default on the card.

Mr J complained to MBNA in March 2025 who considered his complaint but did not uphold it. A final response letter was issued in May 2025. In this, MBNA said they had lent appropriately when opening the card and had carried out checks in line with their policies on each of the requested credit limit increases. Mr J disagreed and brought the matter to this service in May 2025

An investigator considered the merits of Mr J's case. In his view MBNA had not made reasonable and proportionate checks when opening the account or when they later increased the credit limit. However, having recreated what appropriate checks would have revealed it was likely that the lending was affordable. His view was that the lending decisions made by MBNA were fair. Mr J disagreed so the matter has come to me for a final 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.

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. In short, lenders must ensure that any credit that is approved is affordable and sustainable for the borrower. I've followed our approach when deciding Mr J's complaint.

I must apply the same tests as the investigator when considering this case.

The evidence available to me in deciding this case is incomplete. Due to the passage of time, MBNA no longer hold detailed information regarding the initial application. Similarly, Mr J only has partial statement history for the periods concerned. So, I have had to decide the matter on the evidence available to me.

Having considered the details of this case, I agree with the view of the investigator. I recognise this will disappoint Mr J but will explain why I've reached this decision.

#### Initial Application

Mr J's account was opened in May 2019 with an initial credit limit of £3,600. As I have mentioned, MBNA no longer hold credit file or borrowing commitment data for this application given the time since it was made. What they do hold is the fact that Mr J declared an income of £36,000 was single, lived with his parents and had no dependants. MBNA say that credit checks were performed and say Mr J must have passed these for his application to proceed, however those checks are no longer held by MBNA,

On this evidence I share the investigators view that the checks made were not proportionate to the lending being offered. MBNA were not aware of Mr J's existing borrowing, credit commitments or his repayment history.

However, it has been impossible to recreate what would have been seen at that time had more complete checks been made. Neither MBNA nor Mr J have credit file or other lending details for the period. Similarly bank account details for the time and further application data is no longer available.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities - in other words, what I consider is more likely to have happened considering the available evidence and the wider circumstances.

The application itself is not disputed. I am persuaded that MBNA's policies at the time make it more likely than not that a credit report was requested and this would inform the acceptance and setting of an initial credit limit. I note the opening credit limit of £3,600 which would be in the expected range for a new card's limit.

Having considered the available evidence, I am unable to find that MBNA lent irresponsibly in opening this account and applying an initial limit of £3,600

#### First credit limit increase

Mr J's credit limit was increased on request to £8,600 in December 2019. He told MBNA he earned £2,322 a month at that time though there is no evidence of this being verified by the lender. MBNA relied on Mr J's credit file and the management of his account since opening along with estimates of his living expenses to assess affordability.

Given the credit limit was more than doubling I would have expected MBNA to make further checks including the verification of income and some further clarification of Mr J's actual expenditure rather than relying on estimates alone. I do not believe the checks carried out at this point were reasonable or appropriate for the lending.

However, I must consider what reasonable checks would have shown had they been made. I note the content of the credit file showing no County Court Judgments (CCJ), and no

previous defaults or adverse findings within six months of the increase decision. The credit file suggests an account being managed well with no late or missed payments and no overlimit fees.

I also note Mr J has provided a number of bank statements from the time in support of his complaint that had MBNA made further checks, they would have seen the lending was unaffordable. Of course MBNA may have made further enquiries short of referring to bank statements, however, given the passage of time, I have relied on these as the best available evidence to more closely examine actual expenditure. I must first note that the bank statements are incomplete so do not provide a full picture of Mr J's financial situation at the time. I also do not doubt Mr J's claim that he started to experience financial difficulties.

However, based on the evidence available to me, there is nothing in the limited set of statements that would suggest financial difficulties. Mr J's account was in significant credit at the time of the first increase with no charges, returned payments or indications of poor account management. The calculations performed by MBNA and the available statements indicate that the lending was likely affordable. For these reasons, I find that MBNA lent reasonably for the first card limit increase.

#### Second, third and fourth increase

I will deal with these together, as the issues and findings are common across all three increases.

In each case, MBNA responded to a request for an increase to the existing credit limit. In each case, Mr J informed MBNA of his current income although there is no evidence at hand showing that this income was verified by the lender.

In each case, MBNA referred to Mr J's credit file to determine his current credit commitments and applied their own estimates of Mr J's expenditure to arrive at an estimated disposable income. MBNA also referenced Mr J's growing record of account management of his card with them which they say showed no issues of concern.

MBNA state their calculations showed Mr J was likely able to afford the increased lending at each increase.

However, Mr J's account had now had four limit increases in three years. These had increased his total lending by just short of £20,000 in that time. For increases of this size and frequency I would have expected MBNA to have done more to confirm Mr J's financial situation.

There is no evidence available to me showing income had been validated which I would have expected. With this level of credit I would also have expected further details around Mr J's actual expenditure rather than relying on estimates alone.

For these reasons, I find that the checks made were not appropriate or proportionate to the lending being offered for any of the credit limit increases.

Turning to what would have been found if reasonable and proportionate checks had been made there is a pattern across all three lending decisions.

In each case the credit file presents a broadly favourable picture with no defaults, CCJ's or negative indicators in the six months running up to each increase. Also, Mr J's card with MBNA was being managed well with no late payments or overlimit fees. The account was also operated well within its existing credit limit.

In the same way as for increase one, I have examined the partial bank statements provided. In each case, this shows an account overwhelmingly in credit and where any overdraft is used it is irregular and quickly returned to credit. The statements give me no reason to think a lender would have suspected Mr J was in financial difficulty and based on the partial set I have seen they suggest sufficient disposable income to afford each increase.

For these reasons, I find that MBNA lent responsibly in each of these credit limit increases.

In reaching my conclusions, I've also considered whether the lending relationship between Mr J and MBNA might have been unfair to Mr J under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that MBNA did not lend irresponsibly when providing Mr J with the credit card or by increasing his credit limit. And I haven't seen anything to suggest that s140A CCA would, given the facts of this complaint, lead to a different outcome here.

### **My final decision**

My final decision is that I do not uphold the complaint made by Mr J against MBNA Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 16 February 2026.

Richard Bellamy  
**Ombudsman**