

The complaint

Bank of Scotland plc trading as Halifax ('Halifax') provided Mr W with a credit card in 2020. It had a credit limit of £11,000 and it was started to accept a balance transfer from two other cards of just over £9,000. Mr W says the credit was provided irresponsibly.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts about what has happened with the complaint aren't in dispute, so I'll focus on giving the reasons for my 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 general approach to complaints about unaffordable or irresponsible lending on our website, and I've taken this into account in deciding Mr W's case.

I've decided the credit was provided fairly because:

- I think the checks Halifax did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Mr W's financial situation.
- As part of the application process Mr W said he was employed, and he earned around £60,000 a year. Halifax verified this using some information provided by a credit reference agency ('CRA'). It also looked at some information provided by the CRA about Mr W's existing credit and what he was paying for this. I've seen some of this information which shows Halifax was informed that Mr W wasn't experiencing any repayment problems. It used some information it received from the CRA, and statistical information to calculate whether Mr W would have enough to repay the lending. Its calculations showed that he did.
- Based on the information Halifax gathered and what it knew about Mr W's circumstances, there was nothing to suggest that Mr W was likely to be unable to sustainably repay what he was being lent.
- Mr W doesn't agree with this, and he has essentially said that Halifax didn't properly consider his circumstances, such as that he was a contractor and how this would have affected his salary. And it didn't properly establish his expenditure and other indebtedness. And I've noted the commentary and bank statements he has provided to evidence this. Whilst I've taken on board what Mr W has said in his complaint and in response to what our Investigator said, I don't agree that Halifax needed to do more detailed checks here. And so, I don't think that it would have found out about these aspects of Mr W's circumstances. And as far as I can see, he didn't disclose them to Halifax.

- When deciding this, I've borne in mind that the credit card was started predominantly to transfer the balance of two of his existing credit cards, and so it didn't materially increase his debt. Mr W had been repaying his existing credit without problem, and it wasn't unreasonable to assume he would continue to do so. And as far as I can see this is what happened when Mr W used the card, and made repayments to it, without issue until very recently when his circumstances seem to have changed. It's also relevant that the limited bank statement information that Mr W has provided supports that he wasn't in financial difficulty at the time the card was started.
- I don't think Halifax acted unfairly in any other way.

This means I don't think Halifax did anything wrong when it provided the credit card, to Mr W.

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 Halifax lent irresponsibly to Mr W or otherwise treated him unfairly. I haven't seen anything to suggest that s.140A or anything else would, given the facts of this complaint, lead to a different outcome here.

I know this isn't the outcome Mr W hoped for. But for the reasons above, I'm not asking Halifax to do anything to put things right.

My final decision

My final decision is that I'm not upholding Mr W's complaint about Halifax.

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

Andy Burlinson
Ombudsman