

The complaint

Mrs P complains MBNA Limited irresponsibly lent to her because it didn't carry out reasonable and proportionate checks to ensure the lending was affordable for her.

What happened

Mrs P opened a credit card account with MBNA on 10 December 2012 with an initial limit of £2,400. The credit limit was increased on the following occasions:

- to £3,300 on 13 August 2013; and
- to £4,100 on 25 April 2017.

Mrs P complained to MBNA about the lending decisions and MBNA responded to the complaint on 20 May 2025 and 23 May 2025. It didn't uphold the complaint. It set out why it felt it obtained appropriate information about Mrs P's circumstances and the lending decisions were fair. It offered to waive interest for three months as a gesture of good will. Mrs P remained unhappy and asked our service to investigate. MBNA consented to our service considering the complaint.

Our Investigator looked into things and explained why she felt the complaint shouldn't be upheld. MBNA accepted our Investigator's findings. However, Mrs P didn't. In summary, Mrs P said:

- The final affordability assessment wasn't based on actual bank statement data, but on partial details she provided for context. The bank statements were in a different language and our Investigator accepted she relied on Mrs P's own information instead of verified evidence.
- Our Investigator only considered a three-month snapshot despite major financial instability in 2016. Mrs P feels this overlooks long-term instability, substantial income fluctuations, major life changes and clear vulnerability signs that developed over the year. Her income was limited, and she had existing financial commitments that left little to no disposable income. She also had maternity leave, a period of unemployment and relocated.
- Our Investigator removed mortgage costs on the basis that Mrs P's husband covered them in the relevant month. Mrs P said support from a partner is not a stable or guaranteed income source and cannot be used to justify affordability. She said this artificially inflates her disposable income. Regulatory guidance is clear that third-party contributions must not be treated as reliable income.
- The disposable income figure is reconstructed rather than evidenced, it incorrectly excludes mortgage costs, does not include irregular expenses, is based on partial information and fails to reflect the real-world affordability as a parent living abroad.
- Currency conversion distorted her income and expenses because she lived in another country and all the figures were converted into GBP. Her living costs weren't assessed in the proper local economic context.

- MBNA had access to account-level red flags. She said there were minimum repayments, late payments, international transactions, changes in spending behaviour, increased reliance on credit and other indicators of financial stress. MBNA should have recognised these red flags and carried out proper checks before increasing her limit.

As Mrs P didn't agree, 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.

I'm aware that I've summarised this complaint in less detail than it may merit. No discourtesy is intended by this. I do want to assure the parties I've thought about everything which has been provided to me and where a point isn't specifically mentioned, it's not because I haven't considered it but because I don't think it's necessary to comment on it to reach the right outcome here. Instead, I've focussed on what I think are the key issues here. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Mrs P's complaint. Having carefully considered everything, I'm not upholding Mrs P's complaint, and I've set out my reasons below.

MBNA needed to make sure it didn't lend irresponsibly. In practice, what this means is MBNA needed to carry out proportionate checks to be able to understand whether Mrs P could afford to repay any credit it provided.

Our website sets out what we typically think about when deciding whether a lender's checks were proportionate. There is no set list of checks that MBNA had to do, but it could take into account several different things such as the amount and length of the credit, the amount of the monthly repayments and the overall circumstances of the borrower. What's important to note here is that Mrs P was provided with a revolving credit facility rather than a loan. And this means that MBNA was required to understand whether the credit limits it provided could sustainably be repaid within a reasonable period.

Account Opening - £2,400 – December 2012

Whilst the initial credit limit wasn't small, I'm mindful it would not require huge monthly repayments in order to clear the full amount owed within a reasonable period of time. At the time of the account opening, MBNA had information from Mrs P's initial application. This confirmed her employment details and a gross annual income of £23,850. She also confirmed she was a tenant and her monthly housing costs were £400 per month.

MBNA has confirmed it carried out an affordability assessment using information from a combination of sources. This included information from credit reference agencies (CRAs), affordability models and customer stated data. It said Mrs P was granted the lending because she passed the creditworthiness assessment.

However, it no longer has the credit risk assessment data given the account was opened more than six years ago. It was able to confirm that the checks showed Mrs P had an outstanding balance of £1,571 on credit cards compared to a total available limit of £2,150.

From the information I have, it does seem MBNA considered Mrs P's income and committed expenditure and it's unlikely it saw anything which ought to have suggested to it that the lending would be irresponsible or unaffordable.

However, I note there is limited information available because of the time which has passed and so I'm unable to conclude the checks were proportionate. For completeness, I've thought about what further checks were likely to have shown. To do this, I've considered Mrs P's bank statements from the period leading up to the lending decision, as well as the other information I have about her expenditure at the time. This is with a view to recreate what a proportionate check was likely to have shown.

For clarity, MBNA weren't required to obtain bank statements in order to make a fair lending decision. So, I've considered what I think MBNA was likely to have done had it taken reasonable steps to obtain information. Additionally, I'm mindful the repayment amount would not be very significant in respect of the limit being provided here.

I've thought about the income I can see on the statements and what Mrs P declared on the application. I've also considered her committed expenditure and what Mrs P declared about her housing costs. Additionally, Mrs P has provided further context about her circumstances which I've taken into account. Having done so, I'm satisfied proportionate checks were likely to have discovered she had sufficient income at the time to meet her existing commitments and afford the new lending.

I've also considered the information I have about how she managed her finances and existing credit. I can see her accounts were in a positive balance and there aren't any signs she was overindebted or struggling to meet her commitments at the time. For these reasons, I can't say the lending was irresponsible or unaffordable.

Credit limit increase one - £3,300 – August 2013

MBNA increased the credit limit by £900 around eight months after opening the account. This doesn't represent a huge increase in the monthly repayments needed to repay the total available credit within a reasonable period.

MBNA has explained it carried out a creditworthiness and affordability assessment prior to the increase. Again, the credit limit was increased more than six years ago, so it has been unable to provide the information it relied on when deciding to increase the limit. As there is limited information available, I can't say the checks were proportionate. So, again I've gone on to consider the bank statements and other information I have about Mrs P's circumstances to decide what was likely to have been reasonably discovered.

I've thought about the income I can see on the statements for the period leading up to the lending decision, as well as the essential expenditure. I've also thought about what Mrs P has told us about her circumstances at the time. Having done so, I'm satisfied reasonable and proportionate checks were likely to have discovered Mrs P had sufficient income to meet her existing commitments with enough remaining to sustainably afford the additional credit being offered.

I've also thought about what the information shows about how she was managing her finances and her existing credit. Having done so, there isn't anything else which would suggest to me that MBNA shouldn't have lent to her in the circumstances, particularly where proportionate checks were likely to have shown the lending was affordable for her.

Credit limit increase two - £4,100 – April 2017

MBNA increased the credit limit by £800 at this time. It explained it carried out a creditworthiness and affordability assessment using a combination of external CRA data and internal behaviour data. Again, there is limited information due to the time which has now passed. So, I'm unable to conclude the checks were reasonable and proportionate.

I appreciate Mrs P is very concerned about this lending decision because she experienced a significant change in circumstances. She received maternity pay, was unemployed for a period of time and relocated in June 2016. She resumed work in November 2016 but was earning considerably less than when she was employed in the UK. I've thought carefully about everything she has told us about her circumstances at the time.

However, this credit limit increase didn't happen until some months later. I'm mindful that Mrs P was back in employment by the time MBNA went on to increase the limit. Whilst she was earning less, she was receiving an income. So, I've gone on to consider the bank statements for the three-month period leading up to the lending decision, as well as the other information I have about her circumstances at the time. I think this is reasonable in the circumstances as it reflects what MBNA were likely to have found out about her current financial situation. I'd reiterate that MBNA did not need to obtain bank statements in order to complete reasonable and proportionate checks.

I also note Mrs P's concerns about the exchange rate and I'm mindful the statements are in a different language, but this hasn't prevented me from considering what a proportionate check was likely to have discovered about her financial circumstances. This includes her income (salary and child benefit) as well as essential spend. I also have testimony from Mrs P to explain her income and expenditure at the time.

Having considered this, I'm satisfied reasonable and proportionate checks were likely to have shown Mrs P could sustainably afford the credit limit increase. It seems after her ongoing committed expenditure, checks were likely to have shown she would have sufficient disposable income to reasonably demonstrate she could afford the increase. I would also like to clarify that when thinking about this, I've thought about what was likely to have been discovered about Mrs P's ongoing commitments – so what expenditure she needed to cover every month. For clarity, this includes the amount she had agreed to pay towards the mortgage. Mrs P has also highlighted necessary ad hoc expenditure. These aren't payments she'd need to meet every month. Nevertheless, I think appropriate checks were likely to have shown she had enough disposable income to meet reasonably foreseeable expenditure. I'd reiterate I've considered all the information I have including statements and testimony provided by Mrs P.

I've also thought about the information I have regarding how she managed her finances at the time. There isn't anything which was likely to have suggested to MBNA that she was overindebted at the time or that she was struggling to meet her existing commitments. I note Mrs P's comments about her account management. But I can't conclude from the information I have that MBNA shouldn't have lent to her, particularly where I consider a proportionate check was likely to have shown the lending was affordable.

I recognise Mrs P will be considerably disappointed by my decision. However, I must think about what reasonable and proportionate checks were likely to have shown. I've reviewed the information I have to determine what I think was likely to have been discovered. Having done so, I don't think MBNA were likely to have discovered anything to suggest Mrs P would be unable to sustainably afford the credit limits provided. Therefore, I can't conclude it shouldn't have lent to her.

Did MBNA treat Mrs P unfairly or unreasonably in some other way?

Thinking about the complaint made by Mrs P, there isn't anything in the information I have seen which leads me to conclude MBNA treated Mrs P unfairly in some other way. Going forward, I'd remind MBNA of its obligation to treat Mrs P with due consideration and reasonable forbearance.

I note Mrs P's comments about MBNA needing to demonstrate it didn't create an unfair credit relationship. I've considered whether the relationship might have been unfair under Section 140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I don't think MBNA lent irresponsibly to Mrs P or otherwise treated her unfairly in relation to this matter. I haven't seen anything to suggest Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

For the reasons outlined above, I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 6 February 2026.

Laura Dean
Ombudsman