

The complaint

ONMO Limited ('ONMO') provided Mr R with a credit card. Mr R says that ONMO mismanaged his account in relation to a debt management plan and issues he was having with gambling. So it didn't ensure the card was still affordable to him.

What happened

I've considered the whole file, but I think the relevant details here are that Mr R says ONMO shouldn't have let him continue using the card from January 2025, after he'd cleared the debt management plan he'd been in for two years. He started using the account again after he was issued with a new card in March 2025.

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.

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Having considered everything, I'm upholding Mr R's complaint in part and on the same basis as our investigator. I've set out my reasons below:

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 R's case.

Why I'm upholding this complaint in part:

- Whilst I don't think the checks ONMO did before providing the credit were reasonable and proportionate given what it already knew about Mr R's recent financial history, including that he'd been in a debt management plan, there isn't enough to suggest it was likely that Mr R would be unable to sustainably repay the credit he had on the card.
- But, after Mr R told ONMO about his gambling issues in April 2025 and asked them to freeze the account, it should have done so without delay. I agree that ONMO, being aware that Mr R's financial circumstances were at significant risk of deterioration, ought to have done more to support him than it did. And putting a spending block on the account was an important way of providing such support. But the spending block wasn't put in place until July 2025.
- I should add that the redress proposed by our investigator reflects our general approach to compensation in cases like this. After Mr R contacted them about his gambling use, ONMO took steps to make Mr R aware that there were options available to help him manage his account. And Mr R was likely to have realised soon after making his request to have the block applied that ONMO hadn't done so. So,

whilst I agree that ONMO ought to have put the spending block on sooner, I don't think it needs to compensate him differently to the way we'd expect in these particular circumstances, as well as to pay him an additional £100 for the distress and inconvenience resulting from what happened.

This all means I don't think ONMO should have continued providing the card credit going forwards from April 2025.

I've considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, I'm satisfied the redress I'm awarding in this case, as set out below, results in fair compensation for Mr R in the circumstances of this complaint. I'm therefore satisfied, based on what I've seen, that no additional award would be appropriate in this case.

I know this won't be the outcome Mr R was hoping for. I would like to reassure him though that I have carefully considered everything he's told us, but I am satisfied that this outcome and compensation is fair.

Putting things right – what ONMO needs to do

As I don't think ONMO should have allowed Mr R to continue to use the card from 14 April 2025, it's fair that Mr R pays back what he borrowed (which I understand has already happened) but ONMO should refund any interest and charges added to the account from that date.

Therefore, ONMO should:

- Rework the account removing all interest, fees, charges and insurances (not already refunded) that have been applied to balances above £1,171.17.
- If the rework results in a credit balance, this should be refunded to Mr R along with 8% simple interest per year* calculated from the date of each overpayment to the date of settlement. ONMO should also remove all adverse information recorded after 14 April 2025 regarding this account from Mr R's credit file.
- Also pay £100 in recognition of the distress caused to Mr R as a result of his request for a spending block not being actioned until July 2025.

*HM Revenue & Customs requires ONMO to deduct tax from any award of interest. It must give Mr R a certificate showing how much tax has been taken off if he asks for one. If it intends to apply the refund to reduce an outstanding balance, it must do so after deducting the tax.

My final decision

My final decision is that I'm upholding this complaint in part and ONMO Limited must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 3 February 2026.

Michael Goldberg

Ombudsman