

Complaint

Mrs B has complained about a credit card Onmo Limited (“Onmo”) provided to her.

She says the credit card was irresponsibly provided as proportionate checks would have shown that she was only making the minimum payments to existing credit and so any further credit was unaffordable for her.

Background

Onmo provided Mrs B with a credit card with a limit of £1,200.00 in September 2024. The limit on the credit card was never increased.

One of our investigators reviewed what Mrs B and Onmo had told us. And she thought Onmo hadn’t done anything wrong or treated Mrs B unfairly in relation to providing the credit card. So she didn’t recommend that Mrs B’s complaint be upheld.

Mrs B disagreed and asked for an ombudsman to look at the complaint.

My findings

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

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 B’s complaint.

Having carefully considered everything, I’ve decided not to uphold Mrs B’s complaint. I’ll explain why in a little more detail.

Onmo needed to make sure it didn’t lend irresponsibly. In practice, what this means is Onmo needed to carry out proportionate checks to be able to understand whether Mrs B 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. Generally, we think it’s reasonable for a lender’s checks to be less thorough – in terms of how much information it gathers and what it does to verify it – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower’s income was low or the amount lent was high. And the longer the lending relationship goes on, the greater the risk of it becoming unsustainable and the borrower experiencing financial difficulty. So we’d expect a lender to be able to show that it didn’t continue to lend to a customer irresponsibly.

Onmo says it initially agreed to Mrs B’s application after it obtained information on her income as well as her monthly living costs and also carried out a credit search on her. And the information obtained indicated that Mrs B would be able to make the low monthly

repayments due for this credit card. On the other hand, Mrs B says that she shouldn't have been lent to as she was in a poor financial position.

I've considered what the parties have said.

What's important to note is that Mrs B was provided with a revolving credit facility rather than a loan. This means that Onmo was required to understand whether a credit limit of £1,200.00 could be repaid within a reasonable period of time, rather than all in one go. And a credit limit of £1,200.00 didn't require especially high monthly payments in order to clear the full amount that could be owed within a reasonable period of time.

I've seen records of the information Onmo obtained from Mrs B about her income and what was on the credit search carried out. Onmo says that Mrs B declared having a monthly income of around £3,000.00 and paid £250 a month towards housing costs. Onmo's credit check didn't suggest that Mrs B had had any significant adverse information – such as defaults or county court judgments – recorded against her.

I accept that Mrs B appears to be suggesting that her actual circumstances may not have been fully reflected either in the information he provided, or the information Onmo obtained. Mrs B has referred to having only made minimum payments on her existing accounts. I'm sorry to hear to hear about the difficulties Mrs B went on to have. However, Mrs B is relying on a copy of her full credit report when making these arguments. Lenders do not obtain a copy of a customer's full credit report when determining whether to lend to a customer.

Typically, a lender will obtain a snapshot of what the customer owed, whether there was any significant adverse information – such as defaulted accounts or county court judgments - recorded against them and whether the customer is up to date with their payments on any active accounts at the time of the application. Onmo did that here. Equally, I don't consider it fair and reasonable to expect it to have included information it couldn't have known about when making its lending decision.

In reaching my conclusions, I've also considered whether the lending relationship between Onmo and Mrs B might have been unfair to Mrs B under section 140A of the Consumer Credit Act 1974 ("CCA").

However, for the reasons I've explained, I've not been persuaded that Onmo irresponsibly lent to Mrs B or otherwise treated her unfairly in relation to this matter. And I haven't seen anything to suggest that section 140A CCA or anything else would, given the facts of this complaint, lead to a different outcome here.

Overall and having considered everything, while I can understand Mrs B's sentiments and I'm sorry to hear about her situation, I'm satisfied that Onmo carried out proportionate checks before providing this credit card to Mrs B. So I don't think that Onmo treated Mrs B unfairly or unreasonably and I'm not upholding this complaint. I appreciate this will be very disappointing for Mrs B. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

My final decision

For the reasons I've explained, I'm not upholding Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 16 March 2026.

Jeshen Narayanan
Ombudsman