

The complaint

Madison CF UK Limited trading as 118 118 Money (118) provided Miss H with a credit card on 21 July 2018. It had a credit limit of £500. Miss H says 118 acted irresponsibly when it agreed the credit card for her.

What happened

The details of this complaint are well-known to both parties, so I won't repeat them again here. The facts 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.

There are time limits for referring a complaint to the Financial Ombudsman Service, and 118 thinks this complaint was referred to us too late. Our investigator explained why he didn't, as a starting point, think we could look at a complaint about the lending decision as it happened more than six years before the complaint was made. But he also explained why it was reasonable to interpret the complaint as being about an unfair relationship as described in Section 140A of the Consumer Credit Act 1974 (s.140A), and why this meant the complaint had been raised in time.

For the avoidance of doubt, I agree with our investigator that I have the power to look at the complaint on this basis. I think this complaint can reasonably be considered as being about an unfair relationship as Miss H says the credit card simply made her situation worse. This may have made the relationship unfair as she had to pay more than she could afford and was unable to reduce the debt. I acknowledge 118 still doesn't agree we can look at this complaint, but as I don't think it should be upheld, I don't intend to comment on this further.

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 Miss H's complaint.

I've decided the credit was provided fairly because:

- I think the checks 118 did before providing the credit were reasonable and proportionate given the credit limit it offered and what it knew about Miss H's financial situation.
- Miss H told 118 that she was employed full time and earned £20,000 per year. She declared her expenditure as £400 per month. 118 verified her income using a credit reference agency which showed her income to be £1,667 per month.

118 went on to review Miss H's credit file and saw she had debt elsewhere totalling £15,125 across loans, credit cards and catalogue accounts. All the accounts were up to date and two of the loans (with repayments totalling £610) were due to be repaid in full imminently. While one credit card with a balance of around £2,000 was in a debt

management plan, the payments to that were up to date.

118 thought about Miss H's expenditure and didn't accept her declaration of £400 per month. It factored in her repayments to other creditors – including this lending – and estimated other living expenses. It felt her expenditure was more likely to be around £1,200 per month. Based on this figure, it calculated she had a disposable income of around £450 per month.

So from what 118 could see, Miss H did have a fairly high amount of credit elsewhere, but her repayments to that were due to fall substantially in the next month or so, and she had maintained her credit agreements well. It was prepared to offer her a relatively modest credit limit of £500.

- Based on the information 118 gathered and what it knew about Miss H's circumstances, there was nothing to suggest she was likely to be unable to sustainably repay what she was being lent.
- I don't think 118 acted unfairly in any other way.

This means I don't think 118 did anything wrong when it provided the credit card to Miss H.

I've also considered whether the relationship might have been unfair under s.140A. But for the reasons I've already given, I don't think 118 lent irresponsibly to Miss H or otherwise treated her 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 Miss H hoped for. But for the reasons above, I'm not asking 118 to do anything to put things right.

My final decision

My final decision is that I'm not upholding Miss H's complaint about Madison CF UK Limited trading as 118 118 Money.

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

Richard Hale
Ombudsman