

The complaint

Mr W complains that MBNA Limited (MBNA) irresponsibly provided him with a credit card.

What happened

MBNA provided Mr W with a credit card in April 2022 with a credit limit of £2,500. In summary, Mr W says that MBNA lent to him irresponsibly because its checks on his creditworthiness and affordability were insufficient. His complaint was rejected by MBNA because it considered that its lending decision had been appropriate.

Mr W remained unhappy and brought his complaint to this service. One of our investigators reviewed matters and considered that MBNA's lending had not been irresponsible. Our investigator concluded that MBNA's checks were sufficient and that its lending to Mr W was not irresponsible.

Whilst MBNA agreed with our investigator's view, Mr W didn't. In summary, he felt that MBNA had not properly verified his income or his actual expenditure and its lending checks had been insufficient. As an agreement has not been reached, the complaint has been passed to me to make a 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.

I've looked at all of the information on file, although I may not have commented on everything.

The rules and regulations in place at the time Mr W was provided with the credit card, required MBNA to carry out a reasonable and proportionate assessment of whether he could afford to repay what he owed in a sustainable manner. This is sometimes referred to as an 'affordability assessment' or 'affordability check'.

The checks had to be 'borrower' focused. This means MBNA had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Mr W. In other words, it wasn't enough for MBNA to consider the likelihood of it getting the funds back – it had to consider the impact of any repayments on Mr W.

Checks also had to be 'proportionate' to the specific circumstances of the lending. In general, what constitutes a proportionate affordability check will be dependent on a number of factors including – but not limited to – the particular circumstances of the consumer (e.g. their financial history, current situation and outlook, any indications of vulnerability or financial difficulty) and the amount/type/cost of credit they were seeking. I've kept all of this in mind when thinking about whether MBNA did what it needed to before lending to Mr W.

When Mr W applied for the credit card he stated that he was self-employed as a foster carer with an annual income of £41,000. He didn't declare any outgoings. On receipt of his application, MBNA carried out a credit check. This showed that Mr W's existing credit commitments were around £500 each month, he had no County Court Judgments against him and no accounts in default either. It's fair to say that MBNA didn't solely rely upon the information provided by Mr W. In relation to income, it used Current Account Turnover (CATO) data over the preceding 12 months and estimated that Mr W's net monthly income was around £2,600. Similarly, for expenditure, it estimated that his essential living costs would be around £490. This, together with his existing credit commitments led MBNA to estimate that he had disposable income of around £1,600 each month. MBNA accepted his application with a credit limit of £2,500.

I've thought carefully about what reasonable and proportionate checks are in these circumstances.

In the context of Mr W's stated annual income being £41,000, I think a credit limit of £2,500 is a fairly modest amount. In those circumstances, I think that the checks carried out by MBNA to assess Mr W's creditworthiness were proportionate. There was nothing in the credit check that suggested that he was in financial difficulty.

More importantly, Mr W was the beneficiary of a 0% balance transfer promotion until August 2024. In the month after the credit card was issued he transferred around £2,300. So, by taking this card out, Mr W saved on any fees, interests and charges he might otherwise have incurred. I'm satisfied, therefore, that Mr W benefitted from the balance transfer arrangement with MBNA and that he's not lost out as a result of having this credit card. Additionally, I think the checks that MBNA carried out were reasonable and proportionate. They showed that he would have sufficient disposable income to make any payments due under the credit card in a sustainable fashion.

In overall terms, I think Mr W would have benefitted from having the credit card and I don't think MBNA's decision to lend to him was an unfair one.

During the course of Mr W's contact with both MBNA and us, there have been several strands to his complaint. I'm now going to focus on those aspects of Mr W's complaint which, following our investigator's view, he specifically asked to be considered by an Ombudsman. These essentially relate to the central issue of affordability and the inadequacy of MBNA's checks.

Firstly, however, I would like to acknowledge that Mr W has shared with us that he has since become unwell and he's no longer able to carry out his foster carer duties. I'm sorry to hear this and I wish him a speedy recovery.

In relation to the checks that MBNA had carried out, I mention above that the test that we apply is whether they are reasonable and proportionate. Mr W stated that his annual income was £41,000. When MBNA considered his credit application by reference to CATO data, it estimated that his monthly income would be around £2,600. I've estimated that, at that time, a gross annual salary of £41,000 would result in a net income of around £2,650 per month. As a result, I don't think that the basis upon which MBNA made its lending decision was unreasonable. Its estimation of Mr W's monthly income was in line with the annual income figure provided by Mr W.

I wouldn't have expected MBNA to have carried out any further checks at this point, for example by reviewing the actual movements on his bank accounts. As a result, I wouldn't have expected MBNA to have been aware of the portion of his income that related to

working tax credits. In reaching this conclusion, I also take account of the fact that the amount of credit being provided to Mr W was fairly modest.

Misclassification of income

Mr W was a self-employed foster carer. Part of his income was to cover the costs associated with his caring duties. I'm grateful to Mr W for providing additional information about this. Mr W points out that that elements of the income he receives are not income for the purposes of income tax. Mr W believes that MBNA should have clarified the nature of his income because it might have led to a different outcome so far as affordability was concerned.

I accept that part of Mr W's income was to cover costs associated with being a carer and that it wasn't income that was entirely at his disposal. However, I wouldn't have expected MBNA to have queried this. MBNA estimated Mr W's monthly income by using CATO data and these results were plausible given his stated annual income. In those circumstances, I think MBNA's checks were reasonable. I wouldn't have expected MBNA to have been aware of the specifics or the split of his income that related to his caring duties. So, whilst I accept that part of Mr W's income is not income from self-employment (or taxable for income tax purposes), I don't believe that MBNA acted unreasonably in proceeding to accept his credit card application in the way that it did.

Incomplete and confusing disclosure/Information Commissioner's Office (ICO) position

Alongside his complaint about MBNA's lending decision, Mr W also made a data access subject request (DSAR) in December 2024. He was unhappy about how MBNA dealt with this request and felt that certain information had been withheld including how his credit application was scored. MBNA issued its final response letter (FRL) for this part of Mr W's complaint in May 2025. Mr W remained unhappy and made a separate complaint to the Information Commissioner's Office (ICO). The ICO contacted MBNA in October 2025 and MBNA provided its response to Mr W in November 2025.

I've therefore gone on to consider whether MBNA acted fairly and reasonably in the way it handled Mr W's DSAR, or whether any shortcomings caused him a financial loss or distress and inconvenience.

In its response to the ICO referral, MBNA stated that it responded to Mr W's DSAR within one month and sent the material to him by courier. Shortly afterwards, it also sent Mr W links so that he could access the material in an electronic format, as requested by him. MBNA reiterated that it wasn't required to disclose its lending criteria or other commercial information beyond the personal data held in relation to Mr W's credit card application and account. In its FRL, MBNA acknowledged that there had been a delay in sending Mr W one part of his credit card agreement. However, this had been sent to Mr W by the time the FRL was issued and MBNA apologised for the oversight.

Mr W also stated that MBNA's handling of the DSAR hindered his ability to challenge its lending decision.

Having considered all of this, I'm satisfied that MBNA responded to the DSAR within a reasonable timeframe. It took steps to provide Mr W with the missing part of his credit card agreement and apologised for the delay. Whilst I appreciate that Mr W will have found this frustrating, I haven't seen evidence that it caused him financial loss or that it hindered his ability to pursue his complaint with MBNA, the ICO or this service. In these circumstances, I don't think it would be fair or proportionate to award him any compensation for distress and inconvenience.

More broadly, whilst I appreciate that Mr W is dissatisfied with the disclosure he has received from MBNA, this does not change my view that I think the checks carried out by MBNA before taking its lending decision were reasonable and proportionate.

Whilst I appreciate that it will come as a disappointment to Mr W, I don't think MBNA lent to him irresponsibly and I won't be upholding his complaint. Notwithstanding this, I'd encourage Mr W to remain in contact with his lenders to see whether forbearance should be exercised on any of his lending.

Finally, I've also 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 that MBNA lent irresponsibly to Mr W or otherwise treated him unfairly in relation to this matter. I haven't seen anything to suggest that Section 140A would, given the facts of this complaint, lead to a different outcome here.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 24 February 2026.

John Butler
Ombudsman