

## **Complaint**

Miss J has complained about a credit card Santander UK Plc (“Santander”) provided to her. She says that the card was provided to her despite being on a low income and already relying on credit.

## **Background**

Miss J has also complained about personal loans Santander provided to her. However, we’ve told her that we’re answering that complaint separately and this decision only concerns her credit card.

Santander provided Miss J with a credit card with a limit of £3,900.00 in July 2021. The credit limit on the card was never increased but it has been decreased.

One of our investigators reviewed what Miss J and Santander had told us. And she thought Santander hadn’t done anything wrong or treated Miss J unfairly. So she didn’t recommend that Miss J’s complaint be upheld.

Miss J disagreed and asked for an ombudsman to look at her 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 Miss J’s complaint.

Santander needed to make sure it didn’t lend irresponsibly. In practice, what this means is Santander needed to carry out proportionate checks to be able to understand whether Miss J could afford to repay any credit it provided.

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

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.

Santander says it agreed to Miss J’s application for a credit card after it obtained information on her income and carried out a credit search. And the information obtained indicated that

Miss J would be able to make the monthly repayments due on a credit limit of £3,900.00. On the other hand, Miss J says that she shouldn't have been lent to given her existing debts at the time.

I've considered what the parties have said.

What's important to note is that Miss J was provided with a revolving credit facility rather than a loan. And this means that to start with Santander was required to understand whether a credit limit of £3,900.00 could be repaid within a reasonable period of time, rather than all in one go. It's important to note that a reasonable period of time isn't defined in the rules. Although, the guidance indicates that the typical term associated with repaying a fixed-sum loan of this much provides a useful yardstick.

From the information provided, while I've noted what Miss J has said about being a student on a low income, it looks like she declared that she was employed full time as a manager and earning £35,000.00 a year. It's not clear why Miss J made the declaration she did. However, given Santander's credit check showed that Miss J didn't have any previous difficulties repaying credit – such as defaulted accounts or county court judgments recorded against her and she was managing the credit she had well, I don't think that Santander had reason to question what Miss J had declared.

Miss J says that she shouldn't have been lent to because of her existing debts. However, I note that this credit card had a 0% interest rate offer for balance transfers. And given Miss J had total existing credit of around £2,300.00<sup>1</sup>, she had the option of transferring all of her existing credit card debt on to this account. If she did this, she wouldn't have to pay any interest on her credit card debt going forward.

Indeed, I think that Miss J may well have applied for this credit card in order to benefit from the promotional rate. I accept that a 0% balance transfer while useful, won't always be in a customer's best interests. However, Santander wasn't aware that Miss J would repeatedly use balance transfers, or end up taking a consolidation loan further down the line, in the way she appears to be saying. So it had no reason to consider that this promotional interest offer wouldn't prove useful or beneficial to her.

Bearing in mind all of this and the fact that the information gathered suggested that Miss J was likely to be able to repay what she could owe within a reasonable period of time, I think that Santander's checks were reasonable and proportionate. In these circumstances, I think Santander was entitled to provide this credit card based on the information it had.

In any event, even if I were to agree that Santander ought to have done more here, I don't think that it doing so would have resulted in it making a different decision on lending to Miss J. I say this because I don't think that Santander obtaining further information on Miss J's committed regular living expenses at the time and supplementing what it knew about her credit commitments, is likely to have led it to conclude that she did not have the funds to sustainably make the repayments due.

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

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<sup>1</sup> Miss J's existing Santander loan wouldn't have shown on the credit check given it had only, very recently, been taken out. In any event, I don't think that the monthly payment for that loan meant that this credit card was unaffordable.

However, for the reasons I've explained, I've not been persuaded that Santander irresponsibly lent to Miss J 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 I don't think that Santander treated Miss J unfairly or unreasonably when providing her with her credit card. Arguably, it carried out proportionate checks before providing this credit card to Miss J. But even if it had done more Santander would likely have concluded that the balance transfer offer would have left her in a better position going forward. I've therefore not been persuaded to uphold this complaint. I appreciate this will be very disappointing for Miss J. 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 Miss J's complaint.

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

Jeshen Narayanan  
**Ombudsman**