

The complaint

Mr A complains that MBNA Limited irresponsibly lent to him.

What happened

Mr A was approved for an MBNA credit card in October 2018, with a £2,500 credit limit. Mr A says this was irresponsibly lent to him. Mr A made a complaint to MBNA, who didn't uphold his complaint. They said they considered the repayments to be affordable based on the assessment checks they made for his application. Mr A brought his complaint to our service.

Our investigator said that due to the time that's passed, MBNA don't have the majority of checks they completed to send us, however, Mr A's bank statement that he provided our service showed he had enough disposable income in order to meet the repayments.

Mr A asked for an ombudsman to review his complaint. He made a number of points. In summary, he commented on his age when he was approved for the credit card, and he said he was on a relatively low income. Mr A said when the application was approved, he already had other credit cards which were close to their credit limits. He said that he regularly received transfers from family members to help him through the month. He said another company upheld the irresponsible lending complaint he made to them.

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.

Firstly, I'm aware that I've only summarised Mr A's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I've considered what Mr A has said about a different company upholding his irresponsible lending complaint. But our service looks at each individual complaint on its own merits. So I'll be looking to see whether MBNA made a fair lending decision here.

I've considered what Mr A has said about his age at the time he was approved for this account. But as Mr A met the age requirements for this product, I wouldn't expect MBNA to take different action for a borrower based on their age, as this could be considered to be age discrimination if this happened, therefore I'm not persuaded Mr A's age is a factor here since he met the age requirement for the product. Instead, I'll be focusing on whether the repayments were sustainable and affordable for Mr A.

Before agreeing to approve the credit available to Mr A, MBNA needed to make proportionate checks to determine whether the credit was affordable and sustainable for him. There's no prescribed list of checks a lender should make. But the kind of things I expect lenders to consider include - but are not limited to: the type and amount of credit, the

borrower's income and credit history, the amount and frequency of repayments, as well as the consumer's personal circumstances. I've listed below what checks MBNA have done and whether I'm persuaded these checks were proportionate.

MBNA have said that due to the time that's passed, they have limited information regarding this. MBNA have said that Mr A declared a gross annual income of £24,900. But I'm not able to say that the checks MBNA performed prior to the £2,500 credit limit being approved were proportionate or not, or whether they made a fair lending decision here, based on the limited information available.

I'd like to thank Mr A for providing a copy of his credit file. As this is dated 31 October 2023, it does cover the previous six years. But I'm also mindful that his credit file at the time MBNA opened his account would have went back to around October 2012, so the credit file he's provided may not be a full reflection of what MBNA would have seen when they completed their checks. And it's also possible they used a different Credit Reference Agency (CRA), which may have displayed different information.

But I have viewed the credit file Mr A has provided to see if there were any signs of financial difficulty showing prior to October 2018 when he was approved for the MBNA credit card. Although Mr A had credit cards opened at the time of the checks MBNA completed, his credit report does not show what his outstanding balances were at the time. Mr A's credit file did not show any financial difficulty prior to October 2018, but as I've previously said, his credit file that he's provided us doesn't go back six years from when his MBNA account was opened, so I can't fairly comment whether MBNA's checks would have shown any financial difficulty.

Mr A has provided a bank statement leading up to this lending decision (he has provided another bank statement dated after this lending decision, but this wouldn't have been produced yet if MBNA would have asked for further information, therefore I have disregarded this), albeit I can't say whether it would have been proportionate for MBNA to make further checks, depending on what the original checks showed.

But I do note that although Mr A sometimes utilises an overdraft, he isn't constantly overdrawn. The statement shows that he had no returned debits and he was able to pay into a savings account. I also note that as Mr A was completing balance transfers, then he may have benefitted from a promotional interest free rate, or a lower interest rate, which could have resulted in him having more disposable income, compared to if he didn't transfer his balance.

Ultimately, I simply do not have sufficient evidence to conclude that MBNA did not make a fair lending decision when they approved Mr A's initial application for £2,500.

I've also considered whether the relationship might have been unfair under s.140A of the Consumer Credit Act 1974. However, for the reasons I've already given, I can't conclude that MBNA lent irresponsibly to Mr A 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

I do not uphold this complaint.

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

Gregory Sloanes
Ombudsman