

The complaint

Miss C complains that a credit card account with Monzo Bank Limited was unaffordable and that it provided the credit to her irresponsibly.

What happened

Miss C opened a bank account with Monzo in September 2018 and was provided with an overdraft limit of £50. Her overdraft limit was increased, before being reduced to £250 in February 2024. Miss C also opened a credit card account with Monzo in August 2024, with a credit limit of £200, which was immediately increased to £250.

Miss C complained to Monzo about her bank and credit card accounts in June 2025, but it didn't uphold her complaint. It said that it had reviewed all of Miss C's applications using the information that she'd provided and the data that it received from the credit reference agencies, including income, expenditure and other debt commitments, but didn't find any signs of irresponsible lending. Miss C wasn't satisfied with its response so referred her complaint to this service.

Miss C's complaint was then split into two complaints: a complaint about her bank account and a complaint about her credit card account. The complaint about her bank account is being dealt with separately. Miss C's complaint about her credit card account was looked at by one of this service's investigator's who, having considered everything, didn't recommend that it should be upheld. She thought that the checks Monzo completed were proportionate and she didn't think that it did anything wrong.

Miss C didn't accept the investigator's recommendation and asked for her complaint to be referred to an ombudsman for a final decision. She says that the conclusion reached doesn't accurately reflect her actual financial circumstances at the time and her bank statements weren't reviewed as they clearly demonstrate financial difficulties and affordability concerns.

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.

In this decision I'm only considering Miss C's complaint about her Monzo credit card account. Her complaint about her bank account is being dealt with separately. Miss C applied to Monzo Bank for a credit card account in August 2024 and she declared that she was employed full time with an annual income of £30,000. Monzo says that it verified Miss C's monthly income as £2,035 using information provided by a credit reference agency. It says that it also checked Miss C's credit file and assessed affordability using data from the credit reference agency, combined with expenditure data from the application and its own model.

Monzo was required to make reasonable and proportionate checks to ensure that any credit to be provided to Miss C was sustainably affordable for her before opening the credit card account. Miss C's verified monthly income was £2,035 and the amount of credit being

provided to her was initially £200, but was then increased to £250. Miss C had declared her income, which Monzo verified, it checked Miss C's credit file and conducted an affordability assessment. I consider that those checks were reasonable and proportionate in the circumstances of the credit for which Miss C had applied. I don't consider that Monzo was required to obtain a more detailed understanding of Miss C's financial situation at that time or to have reviewed copies of her bank statements.

Miss C had declared that she was living with her parents and the reasonable and proportionate checks that Monzo had made showed that she had other credit obligations costing £976 each month. Monzo estimated that Miss C's essential spending, based on typical spending for her income, age and postcode was £500. Its affordability assessment showed that a credit card account with a credit limit of £200, and then £250, was likely to be sustainably affordable for her. The credit check showed that there were no defaults or other signs of financial distress and I'm not persuaded that Monzo provided the credit to Miss C irresponsibly.

Miss C has entered into a debt management plan, but I don't consider that Monzo acted incorrectly in providing the credit card account to Miss C. It is required to respond to any financial difficulties that she's experiencing positively and sympathetically. I've also considered whether Monzo acted unfairly or unreasonably in some other way, including whether its relationship with Miss C might have been unfair under section 140A of the Consumer Credit Act 1974. Having done so, I've not seen anything that makes me think that that was likely to have been the case.

I've carefully considered all that Miss C has said and provided about her complaint, but I'm not persuaded that her complaint about her credit card account should be upheld. I find that it wouldn't be fair or reasonable in these circumstances for me to require Monzo to take any action in response to Miss C's complaint.

My final decision

My decision is that I don't uphold Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 18 March 2026.

Jarrold Hastings
Ombudsman