

## The complaint

Miss D complains that Santander UK plc (Santander) irresponsibly provided her with a credit card.

## What happened

Santander provided Miss D with a credit card in May 2022. The credit limit provided was £3,300. It was subsequently increased to £4,200 in December 2023.

In summary, Miss D complained that Santander had failed to carry out proper affordability checks and continued to lend to her irresponsibly. Miss D also considered that she should not have been given an overdraft. This aspect of Miss D's complaint was considered by this service separately, so I won't comment on it. Instead, I'll solely focus on Miss D's complaint about her credit card.

Santander was unable to issue a final response letter within the normal eight week period. However, during correspondence with us, it reviewed Miss D's complaint but did not agree that its lending had been irresponsible. Following this, one of our investigators reviewed matters and upheld Miss D's complaint. Our investigator considered that Santander had not carried out reasonable and proportionate checks when providing Miss D with a credit card. Had it done so, it would have found that the credit being provided to Miss D was unsustainable.

Whilst Miss D agreed with our investigator's view, Santander didn't. It considered that the checks that it had carried out were sufficient.

## 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.

Having done so I issued a provisional decision that said the following:

*"I've considered all the available evidence and arguments to decide what I currently think is 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. Having done so, I've reached a different conclusion to our investigator. I'll explain my reasons why.*

*The rules and regulations in place at the time Santander provided Miss D with her credit card and when it increased the limit, required it to carry out a reasonable and proportionate assessment of whether she could afford to repay what she 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 Santander had to think about whether repaying the credit sustainably would cause difficulties or adverse consequences for Miss D.*

*In other words, it wasn't enough for Santander to consider the likelihood of it getting the funds back – it had to consider the impact of any repayments on Miss D.*

*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 Santander did what it needed to before lending to Miss D.*

*When Miss D applied for her credit card she declared that she was earning £23,500. She stated that her monthly rent/mortgage was £500 and she had no other outgoings. When it considered her application, Santander went on to carry out a credit check. This showed that Miss D had other unsecured debt of £3,500 with no County Court Judgments against her. Santander also considered what Miss D's outgoings were likely to be. It didn't solely rely upon what Miss D had stated in her application. It used other information including internal, bureau and Office of National Statistics (ONS) data. Using all of this information, it looked at overall affordability and estimated that Miss D's total outgoings would be around £1,400. These outgoings included an estimate of the cost of Miss D's existing debt and the estimated monthly cost of her having a credit card with a limit of £3,300.*

*Santander needed to be satisfied that Miss D could repay £3,300 within a reasonable period of time. With an annual salary of £23,500, I've estimated that Miss D's net income would have been around £1,660 each month. This would mean that Miss D would have had a monthly disposable income of around £260 each month, taking into account the estimates of her outgoings, the cost of her existing credit and her new credit card with Santander. So, with that in mind and no recent issues with credit, I think Santander carried out proportionate checks which revealed that the lending was likely to be affordable. I don't think that Santander's decision was irresponsible and, for example, likely to cause Miss D to get into financial difficulties.*

*I appreciate that Miss D highlights that she was using her overdraft on her bank account which was a fact known to Santander at the time. However, Santander did carry out an affordability assessment based upon Miss D's income and her estimated outgoings and this showed a reasonable amount of disposable income. As a result, I don't think it was necessary for Santander to carry out an assessment of her income and expenditure at this time by reference to the actual movements on her Santander bank account.*

*For these reasons, I'm not minded to uphold Miss D's complaint as it relates to the original taking out of the credit card.*

### **Credit limit increase in December 2023**

*Whilst it wasn't considered by our investigator, I've also gone on to consider the credit limit increase to £4,200 in December 2023.*

*As I understand the position, Miss D requested this credit limit increase. Santander carried out a further credit check which showed that there were no adverse findings on her credit file and her existing credit commitments were being managed satisfactorily. In terms of affordability, it used Current Account Turnover data to estimate her income and her outgoings. Santander estimated that her monthly income was around £2,500. It also estimated the cost of her existing credit and her living costs and, when taking these into account, she'd have around £950 of disposable income.*

*In the circumstances, I think the checks carried out by Santander were reasonable and proportionate. There was no evidence from the credit check that Miss D was in financial difficulty and the proposed increase to her credit card limit was a fairly modest amount. In this situation, I can't reasonably conclude that Santander acted irresponsibly. For similar reasons as mentioned above, I don't think it was necessary for Santander to carry out an assessment of her income and expenditure by reference to the actual movements on her Santander bank account at this time either.*

*Whilst I know Miss D is hoping for a different outcome, my provisional decision is that I don't think Santander acted irresponsibly when it provided her with the credit card or when it increased her credit limit. It follows that I'm not minded to uphold her complaint.*

*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 provisionally, I don't think Santander lent irresponsibly to Miss D or otherwise treated her 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."*

Santander responded to the provisional decision but had no further comment to make. Miss D responded with some additional comments.

I understand Miss D's strength of feeling about how her financial situation has deteriorated. However, the issue that I must consider is whether Santander acted fairly at the time the lending decisions were made, rather than what has happened since. I don't believe that it was necessary for Santander to review the actual activity on her bank account and this was explained in my provisional decision. I believe that the checks that Santander carried out were reasonable and proportionate in the circumstances. That is why I arrived at a different conclusion to our investigator, irrespective of what the retrospective analysis of Miss D's bank statements showed.

Miss D highlights that she continues to experience financial difficulty. I remind Santander of its obligations to exercise forbearance and I would encourage Miss D to maintain contact with Santander about her difficulties.

Whilst I appreciate that this will come as a disappointment to Miss D, I see no reason to deviate from my provisional decision. It follows that I don't think Santander acted unfairly when deciding to lend to Miss D.

### **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 Miss D to accept or reject my decision before 16 February 2026.

John Butler  
**Ombudsman**