

The complaint

Mr J complains that Sainsbury's Bank Plc (Sainsbury's") provided credit to him irresponsibly and that this credit was unaffordable. He is being represented by a professional third party.

What happened

In April 2019 Mr J applied for and received a credit card from Sainsbury's. It had a credit limit of £10,000 and an interest rate of 28.9% APR. The credit limit was not increased. It was decreased to £7,050 in January 2022.

In February 2025, Mr J complained to Sainsbury's. He said that it was irresponsible of them to provide him with the card because of his financial circumstances; and that they did not carry out a reasonable assessment of his creditworthiness before agreeing to provide this credit to him.

Sainsbury's looked into the complaint and issued a final response letter in March 2025. They thought they had carried out reasonable and proportionate checks into Mr J's financial circumstances and weren't satisfied that it was irresponsible of them to provide the card. They didn't uphold the complaint.

Mr J didn't accept Sainsbury's response and therefore referred his complaint to our service. One of our Investigators looked into it. He felt that the checks carried out by Sainsbury's demonstrated that income, expenditure and credit commitments had all been reasonably assessed, and no adverse data was present. On that basis, the checks were reasonable and proportionate to the level of credit; and approving the credit was fair and responsible. He didn't recommend that the complaint be upheld.

Sainsbury's didn't dispute this position but Mr J did and asked for an Ombudsman's decision. So the complaint has been passed to me to decide.

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.

Our approach to complaints about the irresponsible and unaffordable provision of credit is set out in detail on our website. I've used this approach to help me decide Mr J's complaint. For example, I've considered the rules and guidance on responsible lending relevant to the time of the decision to provide credit set out in the Financial Conduct Authority's ("FCA") Consumer Credit Sourcebook ("CONC"). Mr J's representatives have referred to specific rules and guidance regarding responsible lending contained in CONC 5. I confirm that I have considered CONC 5 in reaching this decision.

In summary, Sainsbury's needed to carry out reasonable and proportionate checks before lending to ensure they did not provide credit to Mr J irresponsibly.

There is no set list of the checks Sainsbury's had to do. What constitutes a proportionate affordability check will depend upon a number of factors including, but not limited to, the amount, type and cost of the credit Mr J was seeking as well as his overall financial circumstances. I've kept all of this in mind when thinking about whether Sainsbury's did what they needed to do before providing credit to Mr J.

When Mr J applied for the card, he declared that he was employed with a gross annual income of £54,050. He was divorced and renting at the time with one dependent.

Sainsbury's did not verify the declared income. For the reasons set out below I do not think they were required to do so in this case.

Sainsbury's went on to assess his monthly expenditure based on statistical information from the Office for National Statistics ("ONS") and credit reference agency data. Their assessed expenditure comprised housing costs of £1,430, living costs of £988, and existing credit repayments of £44; a total of £2,642.

The applicable rules and guidance do not require a lender to see full evidence of expenditure in every case. Instead the lender has discretion about how they conduct checks to satisfy themselves that lending is affordable to applicants, provided the checks are reasonable and proportionate. This includes the consideration of statistical data where it is reasonable and proportionate to do so, as I think was the case here.

Based on the assessed expenditure of £2,642, Mr J's net disposable monthly income after applying a 10% buffer was some £1,900. I think this was sufficient to cover the cost of the card repayments and leave an ample surplus available to Mr J.

Sainsbury's also examined Mr J's existing credit commitments. His credit file showed existing credit balances totalling £1,250 and a debt-to-income ratio of 1%. No missed payments, defaults, arrears or County Court Judgments ("CCJs") were shown by the credit search. There was a lack of any adverse information to indicate that further verification of income and expenditure was necessary.

Overall, Sainsbury's checks showed that Mr J's existing credit was being serviced without any recorded issues and it appeared that he had sufficient disposable income to meet the cost of the card.

Therefore, whilst it will likely come as a disappointment to Mr J, I think the checks carried out by Sainsbury's were reasonable and proportionate and, based on all the information gathered, I don't think Sainsbury's treated him unfairly in their decision to provide him with the card.

I've considered Mr J's points about the affordability of the credit and the difficulties he went on to face. However, I can't see that this would have been foreseeable for Sainsbury's at the time they provided the card to him. I've not seen anything in the checks Sainsbury's carried out that ought to have caused them to need to understand more about his circumstances, or to take the decision not to have provided credit at all.

In reaching my conclusions, I've also considered whether the relationship between Mr J and Sainsbury's might have been unfair to Mr J under Section 140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already given, I don't think that Sainsbury's provided credit to Mr J irresponsibly or otherwise treated him unfairly in relation to this matter. Nor have I 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 do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 12 March 2026.

Richard Ellison
Ombudsman