

The complaint

Mr T complains that he wasn't accepted for a pre-approved loan with Madison CF UK Limited trading as 118 118 Money. He's also unhappy that he hasn't been offered a credit limit increase on his credit card.

What happened

Mr T holds a credit card account with 118 118 Money. He received a message on the 118 118 Money app which said he was pre-approved for a £3,000 loan. When Mr T clicked on the link to apply for the loan, he received an error message and wasn't accepted for the loan.

Mr T complained to 118 118 Money. He said the app had given him misleading information. Mr T also complained that he hadn't been given a credit limit increase.

118 118 Money didn't uphold the complaint. In its final response dated 29 October 2025 it said that for Pre-Approved Loans, the offer was based on a soft credit search as well as internal data, but when a full credit check is carried out it might show factors that lead to the application being declined. In relation to the credit limit increase, 118 118 Money said that these were not automatic and that before offering a credit limit increase it assessed a range of factors including account management, payment history, overall borrowing and other relevant credit information. 118 118 Money said that for both loans and credit cards, pre-approved offers are subject to further verification. It said that customer eligibility is updated daily and if a customer no longer meets the criteria the offer can be withdrawn at any time.

Mr T remained unhappy and brought his complaint to this service.

Our investigator partially upheld the complaint. They said that – whilst pre-approved loans weren't guaranteed – 118 118 Money shouldn't have sent the offer to Mr T because it already knew that he wouldn't be eligible because he had been declined for a loan within the last 6 months. In relation to the credit limit increase, the investigator said that 118 118 Money wasn't obliged to offer a credit limit increase and that it hadn't acted unfairly by not offering one to Mr T. The investigator recommended that 118 118 Money send an apology email or letter to Mr T.

Mr T didn't agree. He said the app was still showing the loan offer and he felt that this was misleading as it gave false hope and was misleading.

Because Mr T didn't agree I've been asked to review the complaint.

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.

I know it will disappoint Mr T, but I agree with the investigator's opinion. I'll explain why.

I understand that it must've been disappointing for Mr T to receive an error message which stated "page not found" when he clicked to apply for the pre-approved loan in the app. Mr T

has said that he can still see the pre-approved loan offer on his app, which I appreciate is causing him frustration.

Mr T has referred to the pre-approved loan offer as misleading and giving false hope. It may help if I explain what a pre-approved loan is. A pre-approved loan means that you have the highest chance of being accepted for a loan at the interest rate shown based on a soft credit check. However, a pre-approved loan isn't a guarantee that your loan application will be approved. Whilst pre-approval significantly reduces the risk of being rejected for a loan, it isn't a legally binding offer. Final approval for a loan is only given after the lender has carried out a hard credit check during the formal application process.

In Mr T's case, I can see that he contacted 118 118 Money via chat when he was unable to apply for the pre-approved loan. The online chat agent advised Mr T that the reason he was receiving the error message was because he had applied for – and been declined for – a loan in the previous 6 months.

I've checked this and I can see that Mr T had a previously declined loan application in May 2025. This was within 6 months of Mr T clicking on the pre-approved loan link, so I'm satisfied that the information provided on the online chat was correct.

When a customer is declined for a loan, there's no obligation on the lender to give the specific reason for the decline. However, this service expects the lender to give a primary reason for the decline in order to demonstrate that the process was fair. In this case, I'm satisfied that 118 118 Money provided the primary reason to Mr T which was that he wasn't eligible to apply for a loan having applied within the past 6 months.

I understand Mr T's frustration at being offered a loan which he wasn't eligible to apply for. I understand why he feels that he was given false hope when the pre-approved loan offer appeared on his app. I agree with the investigators comments here. In circumstances where 118 118 Money knew that Mr T wasn't eligible for the pre-approved loan because of a previous loan application within the past 6 months, it shouldn't have shown him the pre-approved loan offer in the app.

In the circumstances, I think 118 118 Money should send Mr T an email of apology.

In relation to the credit limit increase, 118 118 Money has said that they haven't received an application for a credit limit increase from Mr T and that his account isn't eligible for an increase at this time. A credit limit increase is solely within the discretion of the lender, and I can't conclude that 118 118 Money has treated Mr T unfairly simply because it hasn't offered one.

Putting things right

To put things right Madison CF UK Limited trading as 118 118 Money must send an email of apology to Mr T for showing him the pre-approved loan offer on the app.

My final decision

My final decision is that I partly uphold the complaint. Madison CF UK Limited trading as 118 118 Money must send an email of apology to Mr T for showing him the pre-approved loan offer on the app.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 21 May 2026.

Emma Davy
Ombudsman