

## **Complaint**

Miss C has complained that Santander UK Plc (“Santander”) irresponsibly provided a credit card to her. She says that she already had significant debts and that being provided with this card caused her difficulty going forward.

## **Background**

Miss C has also complained about a personal loan and an overdraft that she also had with Santander. However, the complaints about those products have already been considered separately and this decision is solely considering Miss C complaint about her credit card.

Santander initially provided Miss C with a credit card, which had a limit of £6,000.00, in July 2012. In October 2018, Santander offered to increase Miss C’s limit to £8,000.00.

In March 2024, Miss C complained saying that the credit card as well as the credit limit increase were unaffordable and caused her difficulty going forward. Santander did not uphold Miss C’s complaint.

Miss C remained dissatisfied and chose to refer her complaint to our service as a result. When responding to our request for its file on Miss C’s complaint, Santander told us that it believed Miss C’s complaint about the initial decision to provide the credit card had been made too late.

One of our investigators reviewed what Miss C and Santander had told us. He thought that we could look at Miss C’s whole complaint. He thought that Santander hadn’t acted unfairly or unreasonably when initially providing the credit card to Miss C. However, in his view, Santander shouldn’t have agreed to increase Miss C’s credit limit, so it needed to refund the interest and charges it added as a result of allowing Miss C the extra credit from this point onwards.

Santander disagreed with the investigator’s conclusions and asked for an ombudsman to look at the complaint.

## **My provisional decision of 26 January 2026**

I issued a provisional decision – on 26 January 2026 - setting out why I wasn’t intending to uphold Miss C’s complaint.

In summary, I was not persuaded that Santander created unfairness in the relationship between it and Miss C, in relation to Miss C’s credit card, by irresponsibly lending to her either when initially accepting her application for a credit card, or offering her a limit increase.

## **Santander’s response to my provisional decision**

Santander responded to my provisional decision confirming that it agreed with it and had nothing further to add.

## Miss C's response to my provisional decision

Miss C responded disagreeing with my provisional decision. In summary, this was because:

- there was a lack of proportionate checks.
- I placed too much weight on Miss C having made substantial payments and the fact that she had access to a 0% balance transfer. However the repeated use of balance transfers is recognised as an indicator of debt-cycling, rather than of affordability.
- Santander has already accepted that it acted unfairly in relation to other complaints. This is relevant to assessing the overall fairness of her credit relationship with it under s140A of the Consumer Credit Act 1974.

## My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

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Having carefully considered everything, including the responses to my provisional decision, I've still not been persuaded to uphold Miss C's complaint. I'll explain why in a little more detail.

### *Basis for my consideration of this complaint*

There are time limits for referring a complaint to the Financial Ombudsman Service. Santander has argued that part of Miss C's complaint was made too late because she complained more than six years after the decision to provide the credit card as well as more than three years after she ought reasonably to have been aware of her cause to make this complaint.

Our investigator explained why it was reasonable to interpret the complaint as being one alleging that the relationship between her and Santander was unfair to her as described in s140A of the Consumer Credit Act 1974 ("CCA"). She also explained why this complaint about an allegedly unfair lending relationship had been made in time.

Having carefully considered everything, I'm not intending to uphold Miss C's complaint. Given the reasons for this, I'm satisfied that whether Miss C's complaint about Santander's initial decision to provide her with a credit card was made in time or not has no impact on that outcome.

I'm also in agreement with the investigator that Miss C's complaint should be considered more broadly than just Santander's initial decision to lend. I consider this to be the case as Miss C has not only complained about that decision to lend but has also alleged that this unfairly caused her difficulty going forward because of the impact that it had on her finances going forward.

I'm therefore satisfied that Miss C's complaint can therefore reasonably be interpreted as a complaint about the fairness of her relationship with Santander. I acknowledge Santander may still disagree that we can look at part of Miss C's complaint, but given the outcome I have reached, I do not consider it necessary to make any further comment or reach any findings on these matters. This includes commenting on Miss C's arguments on why she believes that she complained in time.

In deciding what is fair and reasonable in all the circumstances of Miss C's case, I am required to take relevant law into account. As, for the reasons I've explained above, I'm satisfied that Miss C's complaint can be reasonably interpreted as being about the fairness of her relationship with Santander, relevant law in this case includes s140A, s140B and s140C of the CCA.

S140A says that a court may make an order under s140B if it determines that the relationship between the creditor (Santander) and the debtor (Miss C), arising out of a credit agreement is unfair to the debtor because of one or more of the following, having regard to all matters it thinks relevant:

- any of the terms of the agreement;
- the way in which the creditor has exercised or enforced any of his rights under the agreement;
- any other thing done or not done by or on behalf of the creditor.

Case law shows that a court assesses whether a relationship is unfair at the date of the hearing, or if the credit relationship ended before then, at the date it ended. That assessment has to be performed having regard to the whole history of the relationship. S140B sets out the types of orders a court can make where a credit relationship is found to be unfair – these are wide powers, including reducing the amount owed or requiring a refund, or to do or not do any particular thing.

Given Miss C's complaint, I therefore need to think about whether Santander's decisions to lend to Miss C, or its later actions resulted in the lending relationship between Miss C and Santander being unfair to Miss C, such that it ought to have acted to put right the unfairness – and if so whether it did enough to remove that unfairness.

Miss C's relationship with Santander is therefore likely to be unfair if it didn't carry out proportionate checks into Miss C's ability to repay what she could owe, in circumstances where doing so would have shown it that the credit card, or the limit increase, were unaffordable, or that it was irresponsible to lend. And if this was the case, Santander didn't then somehow remove the unfairness this created.

#### *Our typical approach to complaints about irresponsible and unaffordable lending*

We've explained how we handle complaints about unaffordable and irresponsible lending on our website. And I've used this approach to help me decide Miss C's complaint.

I think that it would be helpful for me to set out that we consider what a firm did to check whether any repayments to credit were affordable (asking it to evidence what it did) and then determine whether this was enough for the lender to have made a reasonable decision on whether to lend.

Generally, we think it's reasonable for a lender's checks to be less thorough – in terms of how much information it gathers and what it does to verify that information – in the early stages of a lending relationship.

But we might think it needed to do more if, for example, a borrower's income was low, the amount lent was high, or the information the lender had – such as a significantly impaired credit history – suggested the lender needed to know more about a prospective borrower's ability to repay.

That said, I think that it is important for me to explain that our website does not provide a set list of mandated checks that a lender is expected to carry out on every occasion. Indeed, the requirements have not and still do not mandate a list of checks that a lender should use. Any rules, guidance and good industry practice in place over the years has simply set out the types of things that a lender could do when considering whether to lend to a prospective borrower.

It is for a lender to decide which checks it wishes to carry out, although we can form a view on whether we think what was done was fair to the extent it allowed the lender to reasonably understand whether the borrower could make their payments. Furthermore, if we don't think that the lender did enough to establish whether the repayments that a prospective borrower might have to make were affordable, this doesn't on its own mean that a complaint should be upheld.

We would usually only go on to uphold a complaint in circumstances where we were able to recreate what reasonable checks are likely to have shown – typically using information from the consumer – and this clearly shows that the repayments in question were unaffordable.

*Application to Miss C's complaint – Was Santander's decision to provide Miss C with the credit card and limit increase unfair?*

Santander says that there is very little information remaining from when it initially agreed to Miss C's application. However, it's usual process would have involved obtaining information on Miss C's income and carrying out a credit search. And, in its view, the information obtained indicated that Miss C would be able to make the monthly repayments due for this credit card. For the limit increase, Santander says that Miss C's repayment record and management of her account indicated that she could manage the repayments to a higher limit.

On the other hand, Miss C says that the credit card was unaffordable and caused her difficulty going forward.

I've considered what the parties have said.

*Santander's initial decision to provide Miss C with a credit card which had a limit of £6,000.00 in July 2012.*

What's important to note is that Miss C was provided with a revolving credit facility rather than a loan. This means that to begin with Santander was required to understand whether a credit limit of £6,000.00 could be repaid within a reasonable period of time. And it's fair to say that a credit limit of £6,000.00 required reasonably sized monthly payments in order to clear the full amount that could be owed within a reasonable period of time.

Santander hasn't been able to provide any details on what it found out about Miss C as a result of the credit checks that it carried out prior to its initial decision to provide this card. Given the application took place more than a decade ago, I don't think that Santander no longer having this information is unreasonable. Indeed, I can't think why it would be reasonable to expect Santander to still hold this information.

Therefore, I've not drawn any adverse conclusions as a result of Santander not being able to provide this credit check information. In any event, I'm also mindful that I've not been provided with any information and neither has it even been argued, that Miss C had any significant adverse information recorded against her – such as defaulted accounts or county court judgments - at this time either.

For the sake of completeness, I'd also add that, as I explained earlier in this decision, even if I were to conclude that Santander did need to do more before providing initially providing this credit card to Miss C, I'd still need to be satisfied that it doing more would have led to it making a different decision.

With this in mind, Miss C being unable to provide us with anything on what her circumstances were like in July 2012, means I'm not in a position such that I could reasonably conclude that proportionate checks would have shown Santander it shouldn't have provided this card to Miss C.

I appreciate that Miss C might feel that it is unreasonable and unfair to expect her to provide information which she doesn't have and cannot reasonably be expected to have. But I also have to take into account that Santander isn't required to have retained all of this information either.

As I've said, it's difficult to say that there is a justifiable expectation in terms of it having this information more than a decade later. Ultimately, it was Miss C that chose to make her complaint in April 2024. And as I've explained, I can't conclude that Santander doing more would have seen it reach a different conclusion, on the basis of Miss C saying this so far down the line.

Bearing in mind that I've not seen anything to indicate that proportionate checks would have shown Santander that the repayments were unaffordable for Miss C, I've not been persuaded that it was unfair for it to lend at this stage. I've therefore not been persuaded that Santander failed to act fairly and reasonably when initially providing the card to Miss C or that unfairness was caused at this stage.

#### *Santander's decision to increase Miss C's credit limit to £8,000.00 in October 2018*

The limit increase on this credit card saw Miss C's credit limit being increased to £8,000.00 in October 2018. In the first instance, I can see that Santander carried out a credit check which showed that Miss C's total unsecured revolving debt was just over £8,000.00. While I appreciate what Miss C has said in her response to my provisional decision, I'm not persuaded that this was high. Furthermore, Santander wasn't required to consider how Miss C was funding the payments to her other credit agreements too.

I remain that satisfied that this is important as the notes on the account appear to indicate that Miss C's application for a limit increase was made around the time she qualified for a 0% balance transfer. This means that Miss C wouldn't pay any interest on any balances transferred to this account for a period of time. I accept that a 0% balance transfer while useful, won't always be in a customer's best interests. However, Santander wasn't aware that Miss C repeatedly used balance transfers in the way she appears to be saying. And so it had no reason to consider that this balance transfer offer wouldn't prove useful or beneficial to her.

I'm also mindful that Miss C's transaction history for this credit card shows that she was not only maintaining her account relatively well in the period leading up to the limit increase, she was regularly making payments commensurate with repaying £8,000.00 within a reasonable period of time. Indeed, Miss C made payments to this credit card which totalled thousands in the two years prior to this limit increase. While Miss C's response to my provisional decision suggests that I placed too much weight on this, I have to keep in mind that the regulator's rules do permit a lender to consider a customer's operation of their account as part of determining whether to increase its limit.

Bearing in mind Miss C managed to make the payments that she did in two years, it is extremely difficult for me to say that Miss C's repayment record in itself didn't suggest that she could repay £8,000.00 within a reasonable period of time. This was direct evidence that was before Santander and as it was entitled to take it into account, it would be irrational for me to conclude that relying on this information when deciding whether to increase Miss C's credit limit was unfair.

I note that in his revised conclusions our investigator did reach the conclusion that Miss C shouldn't have been given the limit increase. He thought this was the case because he didn't think that Miss C had an income at this time. He reached this conclusion after consulting statements for a bank account that Miss C had with another provider.

I've carefully considered matters and I'm afraid that I find the investigator's conclusions to be both erroneous and irrational, for a number of reasons.

Firstly, the statements obtained merely show that Miss C wasn't having a salary paid into the accounts he had the statements for. It does not show that Miss C wasn't in receipt of an income. Secondly, Miss C's repayment record on her credit card and the credits into her Santander account do not support Miss C not having an income. Indeed, the amount of the payments made and the credits that were received in the lead up to the limit increase suggested the opposite.

I accept that this does not mean that Miss C did have a large income. But that is not what I need to consider here. What I need to consider is whether Santander was reasonably entitled to conclude that Miss C could repay £8,000.00 within a reasonable period in time. Miss C's repayment record on the credit card – for at least the previous two years prior to the increase – as well as the credits into her Santander account did support this being the case.

I remain satisfied that the amount of the funds in question together with the amount of the monthly payment required to repay £8,000.00 within a reasonable period of time, mean that it was not necessary for Santander to have investigated where Miss C was obtaining these funds from. And it certainly doesn't lead me to conclude that Santander needed to embark on reviewing statements for a bank account which Miss C held with another provider, in the way that the investigator did.

I've noted that in response to the investigator's initial assessment, Miss C queried how it was possible for us not to uphold this credit card complaint in circumstances where Santander had upheld her overdraft complaint. Since that initial assessment an investigator has upheld Miss C's complaint about the loan that Santander provided her with. These are arguments that Miss C has repeated in her response to my provisional decision.

I can understand why Miss C might find it strange that I'm intending to reach a different outcome on this complaint which she perceives to be materially the same as her other ones. But it's important for me to explain that we consider complaints on an individual basis and looking at the individual circumstances. As I've already explained, what will constitute a proportionate check will very much depend on the particular circumstances of the individual application. A proportionate check, even for the same customer and the same lender, could look different for different applications.

Furthermore, I'm not bound by the outcomes reached on different cases. This is particularly where the respondent firm itself accepts it shouldn't have provided a product (as Santander did in relation to Miss C's overdraft), or it has accepted an investigator's assessment of the complaint (as Santander did in relation to Miss C's loan). Indeed, as I explained in my provisional decision, neither of Miss C's other cases reached an ombudsman. So it is by no means certain that the recommendations on those cases were correct, or that an

ombudsman would have reached the same conclusions.

In any event, I'm required to consider the facts of this particular case and reach my own independent conclusion on what's fair and reasonable in all the circumstances. So the outcomes Miss C has received on her overdraft and loan cases cannot and do not bind me into reaching the same conclusion on this case. That said, consistency is important and with a view to providing some clarity and reassurance to Miss C, it might help for me to explain that there are some key differences between this credit card complaint and Miss C's overdraft and loan complaints.

Having looked at Miss C's loan case, it's clear that she was advanced a loan for a significantly higher amount (almost three times as much) than she could ever have owed on this credit card a few years after the limit increase that was provided on this card. This significantly influenced the level of checks that Santander was reasonably expected to carry out at the time and what it was expected to have known about Miss C.

In Miss C's overdraft case, Santander will also have been aware of all of Miss C's incomings and outgoings as part of its requirement to monitor her use of her overdraft. Presumably it was aware of other factors on that account, which led it to conclude that it shouldn't have allowed Miss C to continue accessing that facility. Although as I've not reviewed that complaint, I'm not in a position to say why Santander reached the conclusion it did. The most important thing here though is that I've explained why I'm satisfied that proportionate checks wouldn't have prevented Santander from providing this credit card or limit increase to Miss C.

I would also reiterate that while Miss C has argued I've not paid sufficient regard to her other complaint, as her overdraft and loan complaints have been upheld, the compensation she's received has effectively placed her in the position she would be had she not been provided with her loan in the first place and her overdraft from when that complaint was upheld.

As this correction has been made and that is effectively the position that Miss C is now in, it would not be fair and reasonable for me to now 'double count' this, by considering whether she could afford to repay this credit card within a reasonable period of time, as well as clear the balance on her overdraft in a similar way, when she's already been placed in the position of not having the overdraft. Equally, as the loan was taken in 2022, ten years after the card was provided and around four years before the limit increase was offered, Santander would not have been able to take it into account and Miss C's position is likely to have been substantially different anyway.

Double counting Miss C's overdraft complaint in the way she appears to be suggesting that I should, would seek to place her in the position she would be in had Santander not provided her with any credit, because Miss C was in a position where she couldn't afford to repay anything at all. I don't think that this is the position that reasonable and proportionate checks will have shown that Miss C was in, at the time she was provided with this credit card and the limit increase, I'm also not persuaded that this was the position that Miss C was actually in either. I'm afraid that there isn't anything in Miss C's most recent correspondence that suggests otherwise either.

As this is the case, while I'm not required to replicate the outcomes reached on other cases, I nonetheless don't consider that my likely answer on this complaint is incompatible or inconsistent with the ones Miss C received on her other cases, notwithstanding the differing outcomes.

Bearing in mind all of this, I'm satisfied that Santander did not act unfairly or unreasonably when providing Miss C with her credit card in July 2012 or when increasing her credit limit in October 2018.

For the sake of completeness, I would also add that each of the accounts Miss C had saw her have an individual lending relationship with Santander. The fact that Santander accepted unfairness existed in some of the relationships, does not in itself mean that Miss C lending relationship with Santander, in respect of this credit card, was unfair to her.

Overall, and based on the available evidence I'm satisfied that Miss C's relationship with Santander, in respect of this credit card, was not unfair to her. I've not been persuaded that Santander created unfairness in its relationship with Miss C by irresponsibly lending to her whether when initially agreeing to provide her with a credit card or offering her the limit increase. I don't find Santander treated Miss C unfairly in any other way either based on what I've seen either.

So overall and having considered everything (including Miss C's response to my provisional decision), while I can understand Miss C's sentiments and sympathise with the difficult time that she has been through, I'm not upholding this complaint. I appreciate this is likely to be very disappointing for Miss C. This is especially as the investigator – albeit erroneously – suggested that her complaint should be partially upheld. But I hope she'll understand the reasons for my decision and that she'll at least feel her concerns have been listened to.

### **My final decision**

For the reasons I've explained above and in my provisional decision of 26 January 2026, I'm not upholding 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 11 March 2026.

Jeshen Narayanan  
**Ombudsman**