

The complaint

Mr P complains that Freemans Public Limited Company (“Freemans”) lent to him irresponsibly.

What happened

In September 2018, Mr P applied for an account with Freemans which was approved and he was provided with a £100 credit limit. Freemans increased the limit to £200 in November and again to £300 in December. Mr P stopped making payments in January 2019. In August 2025 Mr P complained to Freemans.

Mr P says Freemans didn’t carry out proper affordability checks before opening the account. He says reasonable checks would have shown he already had arrears and defaults on existing credit. He also says the credit limit increases shouldn’t have been made. He explains he has a long standing vulnerability which he believes should have been taken into account. He says the stress of unmanageable debt has significantly worsened his mental health and has impacted his wellbeing. He also says the negative impact on his credit file meant he couldn’t access more affordable credit, leaving him without capital for his business, which then collapsed.

Mr P wants Freemans to write off the outstanding balance, remove any negative information from his credit file and compensate him for the distress and financial hardship this lending has caused him.

Freemans responded to Mr P’s complaint on 18 September 2025. They rejected it saying the checks they did were proportionate and in line with the Financial Conduct Authority’s (FCA) guidelines. Mr P disagreed, so the complaint was referred to our service.

An Investigator reviewed the case and found that, because Freemans did not request any information about Mr P’s income, the checks weren’t proportionate. However, the Investigator concluded that even if proportionate checks had been completed, the decision to lend would still have been fair.

Mr P disagreed. He says that Freemans should have seen that he was struggling financially and that this account was unaffordable.

Because an agreement couldn’t be reached, 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.

Having done so, I’ve reached the same outcome as the Investigator, largely for the same reasons. I know this will disappoint Mr P, so I’ll explain why.

I’ve kept in mind the regulator’s rules and guidance on responsible lending (set out in its

Consumer Credit Sourcebook – CONC) which lenders, such as Freemans, need to abide by. Freemans will be aware of these, and our approach to unaffordable/irresponsible lending complaints is set out on our website. I've used this approach to help me to decide Mr P's complaint. I won't refer to the regulations in detail here, but will briefly summarise them.

The rules and regulations in place at the time Freemans provided Mr P with the account required them to carry out a reasonable and proportionate assessment to make sure he could afford to repay what he owed in a sustainable way. This is sometimes referred to as an 'affordability assessment' or 'affordability check'. Being able to sustainably repay credit means that they needed to consider whether he could make repayments without undue difficulty, while being able to meet any other commitments and without having to borrow further.

There isn't a 'set list' of checks that lenders must complete, but they must 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 are seeking, in order to treat them fairly. The checks needed to be borrower focused – so Freemans had to think not just about the likelihood of them getting the funds back, or whether Mr P met their lending criteria. They also had to consider if he could sustainably repay the lending being provided to him. I've kept all of this in mind when thinking about whether Freemans did what was needed, before lending to Mr P.

Freemans completed a full credit check for Mr P as part of the application, using a Credit Reference Agency (CRA). They use this information to help them to decide whether to approve an application or not. This is because it details the overall credit commitment with other lenders and shows how this is being managed. Freemans say their checks were adequate and in line with regulations.

The credit check showed Mr P had low levels of debt and was managing his existing credit well. Although he had one defaulted account, this was almost three years old. There was no evidence of CCJs, IVAs or bankruptcy. Based on this information, I'm satisfied the checks Freemans completed were proportionate, and that it was reasonable for them to approve the account.

I say this because, although there were some signs of financial difficulty in the past, everything in recent months had been much improved. The way he was managing his credit at the time was positive overall, and the proposed credit limit was modest. Even if he used the £100 limit immediately, the expected minimum payment would have been around £5 – an amount I'm satisfied he could have met alongside his existing commitments based on the information that Freemans considered.

I've also considered Mr P's concerns about the changes Freemans made to his credit limit. Freemans say they reviewed affordability on both occasions by looking at how he was managing the account and by checking information from the credit reference agency.

The first increase to £200 was made two months after the account opened. At that time, Mr P was managing the account well and making payments above the minimum. There was no new adverse information and affordability appeared stable. Mr P didn't use the higher limit in November.

Freemans increased the limit to £300 in December. Mr P again continued to pay above the minimum and did not rely on—or make use of—the additional credit until January 2019.

Based on the information available to Freemans at the time, there was nothing to suggest that Mr P was experiencing financial difficulty or that further checks were required. So, I'm satisfied the checks remained proportionate and that Freemans didn't act unfairly by increasing his limit.

I want to reassure Mr P that I've considered everything he's raised. I don't need to address each point individually for him to understand the reasons for my decision. What matters is that, taken together, the evidence doesn't show Freemans treated him unfairly.

Mr P also referred to other decisions issued by this Service. But each complaint is assessed on its own merits, based on the individual circumstances and the evidence available at the time of lending. I appreciate why Mr P feels those cases support his position, but they don't change my assessment here. Having carefully reviewed everything he's put forward, my view about the affordability of this account remains the same.

I've also considered what Mr P told us about his mental health and the impact this situation has had on him. I'm grateful to him for sharing this, and I've taken his comments into account. But I haven't seen anything to show Freemans were aware of his condition at the time, and there's nothing in their notes to suggest he told them. So I've looked at whether anything available to Freemans should reasonably have alerted them to this. While I'm sympathetic to Mr P's circumstances, I haven't seen evidence that would've indicated to Freemans that he needed additional support. So I wouldn't have expected them to take steps beyond their usual process.

In reaching my conclusions, I've also considered whether the lending relationship between Mr P and Freemans might have been unfair to Mr P under s140A of the Consumer Credit Act 1974 ("CCA"). However, for the reasons I've already explained, I'm satisfied that Freemans did not lend irresponsibly when providing Mr P with the loan. And I haven't seen anything to suggest that s140A of the CCA would, given the facts of this complaint, lead to a different outcome here.

While I appreciate this will be disappointing for Mr P, my final decision is that Freemans did not act unfairly when providing this credit account. So, I won't be upholding his complaint.

My final decision

I don't uphold this complaint against Freemans Public Limited Company.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 14 April 2026.

Alison Wharton
Ombudsman